2026-27
Business Plan



CalPERS

California Public Employees' Retirement System

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OVERVIEW

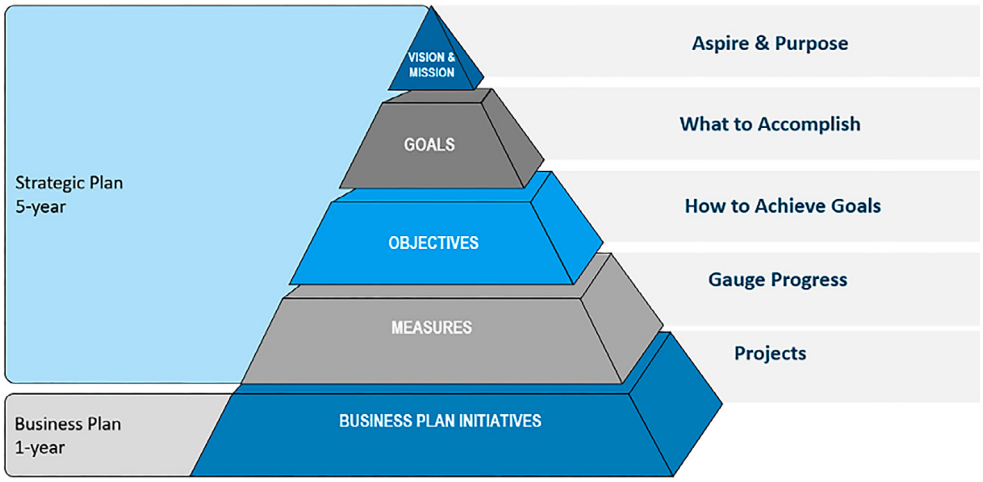
Business Plan Initiatives Support our Strategic Goals & Objectives

The 2026-27 CalPERS Business Plan describes the Business Plan Initiatives (BPIs) designed to help us reach our Strategic Goals and Strategic Objectives.

Our Strategic Framework depicts CalPERS' strategic approach and the relationship between each level.

- Our Vision and Mission provide insight to our aspirations and clearly state our purpose.
- Strategic Goals communicate what we want to accomplish over the long term.
- Objectives clarify how we will achieve these stated Goals.
- Strategic Measures (Measures) provide meaningful progress indicators for achieving our Goals and Objectives.
- BPIs are projects that develop or enhance our strategic capabilities.

Strategic Framework



How to read this plan:

- Each section contains a strategic goal and its related objectives.
- The corresponding Business Plan Initiatives (BPIs) for each goal are listed below the objectives.
- Each BPI's title, description and associated strategic measure(s) are provided.
- To see more BPI details and to track progress, visit **Enterprise Performance Reporting**, which group BPIs under their respective strategic goals.

Strategic measures are described in **CalPERS 2022-27 Strategic Plan**. BPIs and strategic measures work together, as we strive to reach our strategic goals and objectives. They are all aligned with CalPERS' Mission and Vision, as depicted in CalPERS Strategic Framework.

MEMBER EXPERIENCE

Strategic Goal: Ensure member satisfaction through accuracy, responsiveness, and respect

Objectives:

- Deliver accurate benefits to our members and their beneficiaries
- Ensure that our members and their beneficiaries receive benefit payments on time
- Provide timely response and appropriate action to inquiries
- Enhance services, communication, and education tools for our members

BPIs:

- **Enhance Spanish-Language Education Program:** * Enhance member education by assessing the effectiveness of the current Spanish-language instructor-led program to identify strengths, address gaps, and explore additional relevant topics to expand the curriculum and better meet member needs. (June 2027)
  - **Associated Measure:** Customer Satisfaction
- **Generative Artificial Intelligence (Gen AI) Service Enhancement:** * Implement Generative AI solutions to streamline workload processes across Customer Services. (June 2027)
  - **Associated Measures:** Customer Satisfaction; Customer Inquiry Timeliness
- **Member Online Services:** * Enable online submission of refund applications, provide direct deposit verification for benefit payments, and replace Knowledge Base Authentication (KBA) for sensitive transactions. (June 2027)
  - **Associated Measure:** Customer Satisfaction
- **Service Credit Purchase Payment Options Simplification:** * Multi-year initiative to implement Senate Bill 939, simplifying service credit purchase payment options by replacing the Actuarial Equivalent Reduction (AER) option. This includes system enhancements to improve processes and enhance member online services by providing members the ability to compare retirement benefit estimates with or without the prorated service credit. (June 2027)
  - **Associated Measure:** Customer Satisfaction

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PENSION SUSTAINABILITY

Strategic Goal: Strengthen the long-term sustainability of the pension fund

Objectives:

- Balance the costs of future pension payments with the expected future investment risks and returns through the Asset Liability Management process
- Mitigate the risk of significant investment loss while balancing contribution levels and volatility
- Deliver risk-adjusted investment returns to meet or exceed the expected rate of return
- Integrate sustainable investment strategies

BPIs:

- **Asset Liability Management:** Incorporate elements of funding risk from both an asset and liability perspective to ensure the sustainability of the fund. All deliverables will be reviewed by the Asset Liability Management Advisory Committee (ALMAC). (June 2027)
  - **Associated Measures:** Funded Status; Total Expected Fund Volatility; Employer Contribution Rates
- **Emerging and Diverse Managers:*** Generate strong, risk-adjusted returns by identifying high-potential early-stage funds, accessing overlooked opportunities, and cultivating the next generation of investment management talent. (June 2027)
  - **Associated Measure:** Percentage of Diverse Managers
- **Investment Data and Technology Modernization:** Design and implement a modern investment data and technology platform that enables better portfolio outcomes and improved operational effectiveness. (June 2027)
  - **Associated Measures:** Annualized (5-Year) Excess Investment Returns Relative to Total Fund Policy Benchmark; Cost Advantaged vs. Peers; 5-year Net Value Added
- **Total Fund Portfolio:** Construct a Total Fund Portfolio positioned to generate the required rate of return over the long term through effective management of risk, leverage, and liquidity. (June 2027)
  - **Associated Measures:** Total Expected Fund Volatility; Annualized (5-Year) Excess Investment Returns Relative to Total Fund Policy Benchmark

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EXCEPTIONAL HEALTH CARE

Strategic Goal: Ensure our members have access to equitable, high-quality, affordable health care

Objectives:

- Ensure all members receive equitable care
- Ensure our members have access to care when and where they need it
- Ensure the care we provide is affordable
- Ensure our members receive high-quality health care

BPIs:

- **Advanced Primary Care:** * Develop, implement, and participate in strategies that will improve quality and access to primary care services for CalPERS health care members. (June 2027)
  - **Associated Measures:** Access to Care; Achieving Health Equity; Behavioral Health Screening and Treatment; Health Care Affordability; Health Care Member Experience; Population Health Management
- **Behavioral Health Screening and Treatment:** * Improve behavioral health access, screening, and treatment for CalPERS health care members through health plan contracts, leveraging partnerships, and developing recommendations for further improvement. (June 2027)
  - **Associated Measures:** Behavioral Health Screening and Treatment; Health Care Member Experience; Access to Care; Achieving Health Equity
- **Expand Member Outreach and Education:** * Implement an outreach strategy to improve CalPERS member engagement and knowledge of the health benefits and options available to them so they can make more informed health care decisions. (June 2027)
  - **Associated Measure:** Health Care Member Experience
- **Improve Health Data Quality and Application:** * Develop and implement data quality improvement plans to enhance the quality, relevancy, and consistency of the data in the CalPERS Health Care Decision Support System (HCDSS). (June 2027)
  - **Associated Measures:** Population Health Management; Behavioral Health Screening and Treatment; Health Care Member Experience; Access to Care; Health Care Affordability; Achieving Health Equity
- **Improve Pharmacy Benefit Strategies:*** Balance member choice, quality, safety, affordability, and prescription drug access by utilizing expert clinical input and CalPERS pharmacy data. (June 2027)
  - **Associated Measures:** Population Health Management; Health Care Member Experience; Access to Care; Health Care Affordability; Achieving Health Equity
- **Increase Health Care Affordability:** * Improve health care affordability through increased competition, high-value networks, and innovative benefit designs. (June 2027)
  - **Associated Measure:** Health Care Affordability

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EXCEPTIONAL HEALTH CARE, continued

Strategic Goal: Ensure our members have access to equitable, high-quality, affordable health care

- **Promote and Improve Health Equity:** * Develop and implement a health equity strategy to advance health equity and improve clinical quality for CalPERS health care members. (June 2027)
  - **Associated Measures:** Access to Care; Achieving Health Equity; Behavioral Health Screening and Treatment; Health Care Member Experience; Population Health Management
- **Promoting Clinical Quality Improvement:** * Improve health outcomes through clinical quality improvement efforts that promote alignment and continuous performance evaluation, public transparency of performance results, and patient-centered care with advanced primary care and behavioral health integration. (June 2027)
  - **Associated Measures:** Access to Care; Achieving Health Equity; Behavioral Health Screening and Treatment; Health Care Member Experience; Population Health Management

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STAKEHOLDER ENGAGEMENT

Strategic Goal: Promote collaboration, support, and transparency

Objectives:

- Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations
- Enhance services, communication, and education tools for our partners

BPIs

- **Effectiveness of Communications Outreach – Digital Products:** * Improve the effectiveness of digital products using metrics on the efficiency and quality of member, employer, and stakeholder website visits and targeted communications. (June 2027)
  - **Associated Measures:** Effectiveness of Digital Communications Outreach - Email Open Rates; Effectiveness of Digital Communications Outreach - Social Media Followers
- **Expand Stakeholder Outreach Through Dialogue and Education:** * Implement training, education, and outreach dialogue opportunities to educate, inform, and allow open communication line for members, employers, stakeholder leaders on system risks, mitigation strategies, and compliance enhancements. (June 2027)
  - **Associated Measures:** Stakeholder Perception Survey - Participation; Stakeholder Perception Survey - Overall Rating; Stakeholder Perception Survey - Stakeholder Rating; Stakeholder Perception Survey - Employer Rating; Stakeholder Perception Survey - Member Rating; Stakeholder Perception Survey - Compliance and Risk; Stakeholder Perception Survey - Risk
- **CalPERS Website Modernization:** * Develop a roadmap for our CalPERS website modernization and partner with an entity to execute our plan. (September 2027)
  - **Associated Measures:** Effectiveness of Digital Communications Outreach - Email Open Rates; Effectiveness of Digital Communications Outreach - Social Media Followers; Effectiveness of Digital Communications Outreach – Visits to Public Website

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ORGANIZATIONAL EXCELLENCE

Strategic Goal: Cultivate a diverse, risk-intelligent, and innovative culture through our team and processes

Objectives:

- Integrate and sustain leadership competencies to promote behaviors that retain and engage a high-performing workplace
- Recruit and retain diverse talent
- Enhance team member engagement and employment experience
- Cultivate compliance and risk functions throughout the enterprise
- Cultivate diversity, equity, & inclusion through culture, talent, investments, health equity, and supplier diversity
- Improve processes, operations, and advance technologies to gain efficiencies and effectiveness

BPIs

- **Implement Outreach Strategies:** * Develop and implement new recruitment strategies that expand CalPERS' candidate pools and enhance a culture of equity and inclusion. (June 2027)
  - **Associated Measures:** Candidate Pool Outreach; Participation and Results of Onboarding Survey; Participation and Results of Exit Survey; Workforce Demographics; Employee Development
- **Generative Artificial Intelligence Advancement:** *Utilize Generative Artificial Intelligence (GenAI) strategies to refine processes, create efficiencies, and mitigate risks within critical business areas including customer service, health, and investments. (June 2027)
  - **Associated Measure:** CEM Benchmarking Information Technology Capability Score
- **Human Capital Management Cloud Migration:** * Upgrade the existing Human Capital Management (PeopleSoft) system to a cloud-based solution. (January 2027)
  - **Associated Measures:** Candidate Pool Outreach; Participation and Results of Onboarding Survey; Participation and Results of Exit Survey; Workforce Demographics; Employee Development
- **Increase Enterprise-Wide Diversity, Equity, & Inclusion (DE&I) Knowledge and Awareness:** * Increase knowledge and awareness of DEI themes and concepts by providing communication, training, and engagement opportunities as well as develop tools and resources for the enterprise. (June 2027)
  - **Associated Measure:** DE&I Engagement Survey Results
- **Implement Diversity, Equity, & Inclusion (DE&I) Framework:** * Implement and mature the DE&I Framework Five (5) Pillars: Culture, Talent Management, Health Equity, Supplier Diversity, and Investments, through collaboration and efforts with contributing program areas. (June 2027)
  - **Associated Measure:** DE&I Engagement Survey Results

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ORGANIZATIONAL EXCELLENCE, continued

Strategic Goal: Cultivate a diverse, risk-intelligent, and innovative culture through our team and processes

- **Implement Engagement Survey Action Items:** * Develop and implement action items using results from the annual Employee Engagement Survey. Action items are identified based on areas that have the greatest impact on engagement, including low scoring items and/or items with significant downtrend. (June 2027)
  - **Associated Measures:** Team Member Engagement; Net Promoter Score; Response Rate of Employee Engagement Survey
- **Information Security Strategy:** Advance the Information Security Office strategy and mitigate cybersecurity threats and vulnerabilities. (June 2027)
  - **Associated Measure:** Information Security Assessment Score
- **Investment Talent and Culture Development:** * Realign Investment Office resources and skills to support the total fund portfolio and reinforce working as one team, with a culture of trust, respect, and accountability. (June 2027)
  - **Associated Measures:** Workforce Demographics; Employee Development
- **Mature Targeted Information Technology (IT) Capabilities:** Mature targeted IT capabilities to enhance infrastructure continuity and reliability, delivery of core services, as well as anticipate and meet emerging business needs of the future. (June 2027)
  - **Associated Measure:** CEM Benchmarking Information Technology Capability Score
- **Organizational Compliance and Risk Management Effectiveness:** Continue to implement the multi-year plan for the first line of defense (FLOD) and second line of defense (SLOD) by further integrating new and enhanced compliance and risk management processes into the broader enterprise and division functions. (June 2027)
  - **Associated Measures:** Organizational Compliance Effectiveness; Risk Management Effectiveness
- **Talent and Culture Enhancement Strategies:** * Identify and implement strategies that enhance career development opportunities. (June 2027)
  - **Associated Measures:** Candidate Pool Outreach; Participation and Results of Onboarding Survey; Participation and Results of Exit Survey; Workforce Demographics; Employee Development; Team Member Engagement
- **Workforce Planning and Succession Management Strategies:** * Enhance workforce planning and succession management efforts to align with the CalPERS Strategic Plan. (August 2027)
  - **Associated Measures:** Candidate Pool Outreach; Participation and Results of Onboarding Survey; Participation and Results of Exit Survey; Workforce Demographics; Employee Development
- **2027-32 Strategic Plan Development Project:** * Deliver an approved CalPERS 2027-32 Strategic Plan that provides a roadmap to guide the organization over the next five years through clearly defined goals, objectives, and measures. (September 2027)
  - **Associated Measure:** Operational Efficiencies

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