



Finance and Administration Committee

Agenda Item 5d

February 17, 2026

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 second 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

Melody Benavides, Chief
Pension Contracts and Prefunding Programs

Michele L. Nix
Chief Financial Officer