

Program Overview

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. The PCMP team consults potential new contracting public agencies on the eligibility requirements to participate in the CalPERS pension system. We work with contracting agencies in requesting valuations and contract amendments to increase, change, or decrease optional benefits.

During fiscal year 2025-26, PCMP completed the following contract activities:

Summary of Pension Contract Activities for Fiscal Year 2025-26

Category	No. of Contracts
New Pension Contracts	8
Contract Amendments	57
Contract Merger	1
Reciprocity Agreement	0
Voluntary Contract Terminations	2

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 met its strategic measure by maintaining an average of 99.3 percent of employers' current pension obligations for the fiscal year.

Pension Contracts Activity Section

New Contracting Agencies

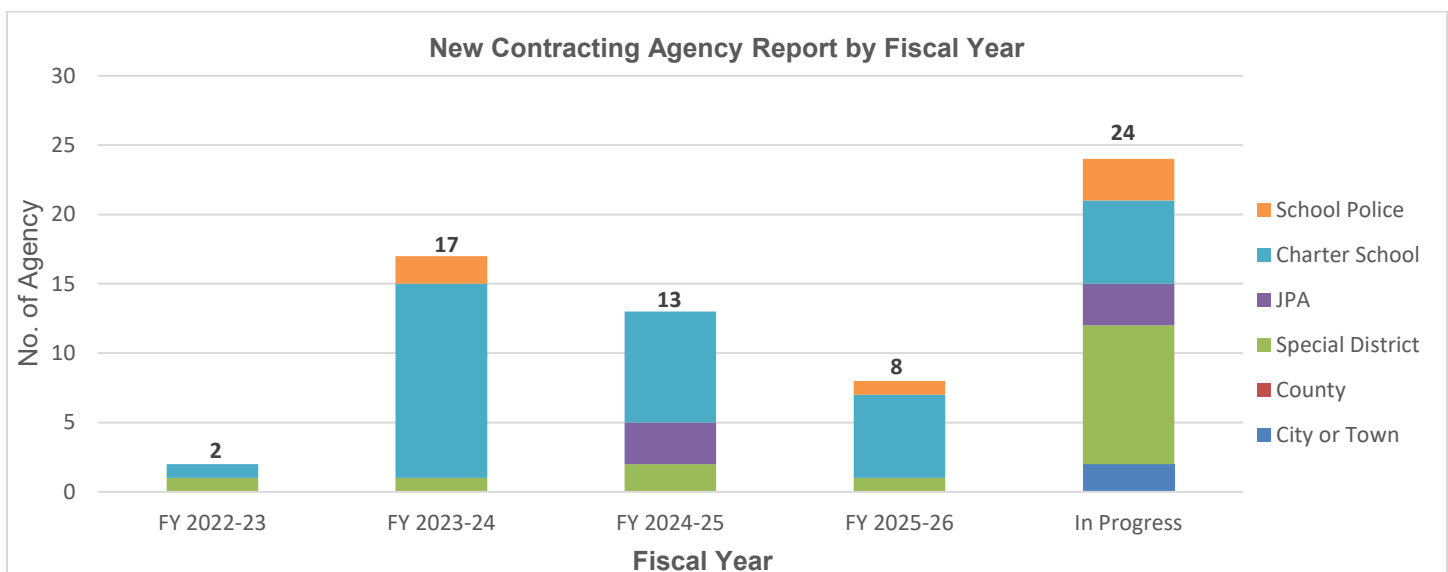
During the fiscal year 2025-26, one special district and one school police contracted with CalPERS for pension benefits. We also have 6 new charter schools participating in CalPERS under the County Office of Education's contracts. Appendix 2 provides the list of public agencies and schools that contracted with CalPERS during the fiscal year 2025-26. The following table shows the number of participating agencies by agency type.

New Contracting Agencies for Fiscal Year 2025-26

Agency Type	No. of Contracts
City and Town	0
County	0
Special District ¹	1
JPA	0
School Police	1
Charter School	6
Total	8

¹Represents special districts in California that were formed and are governed under a specific California government Code, such as fire protection districts, sanitation districts, transit districts, utility districts and water districts.

Charter schools made up the largest number of new participants in the system for the past four years. The following chart shows the number of new pension contracts with CalPERS for the past four fiscal years and the in-progress contracts for the current fiscal year.



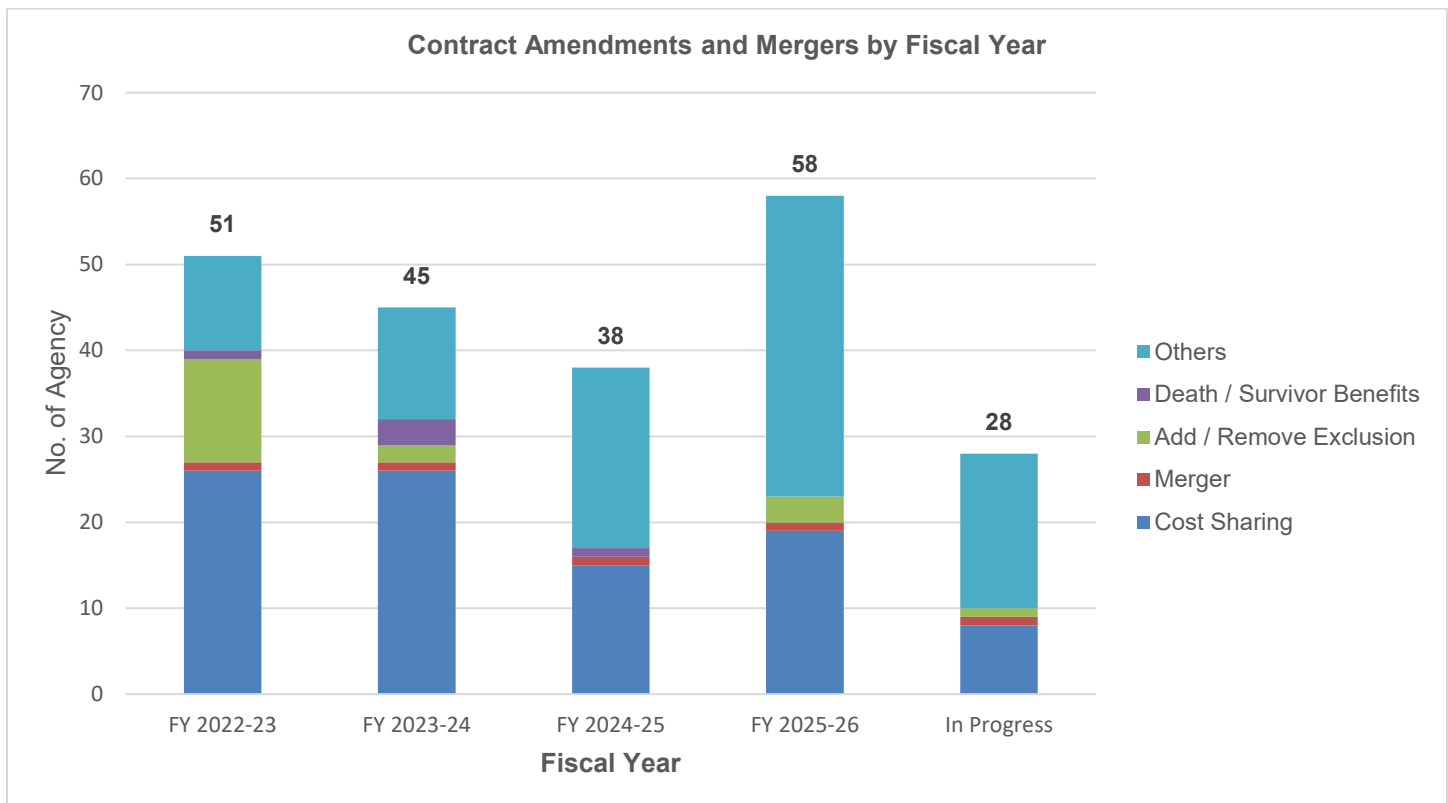
Contract Amendments

PCMP processed 57 pension contract amendments and one merger during fiscal year 2025-26. Cost sharing amendments represented the highest proportion of contract amendments for the fiscal year. The following table shows the number of contract amendments by amendment type.

Pension Contract Amendments for Fiscal Year 2025-26

Amendment Type	No. of Amendments
Cost Sharing	19
Add/Remove Exclusion	3
Death and Survivor Benefits	0
Merger	1
Others	35
Total	58

Appendix 3 provides the complete list of amendments. The following chart shows the total number of amendments PCMP processed for the past four years and the in-progress amendments for the current fiscal year.



Contract Terminations

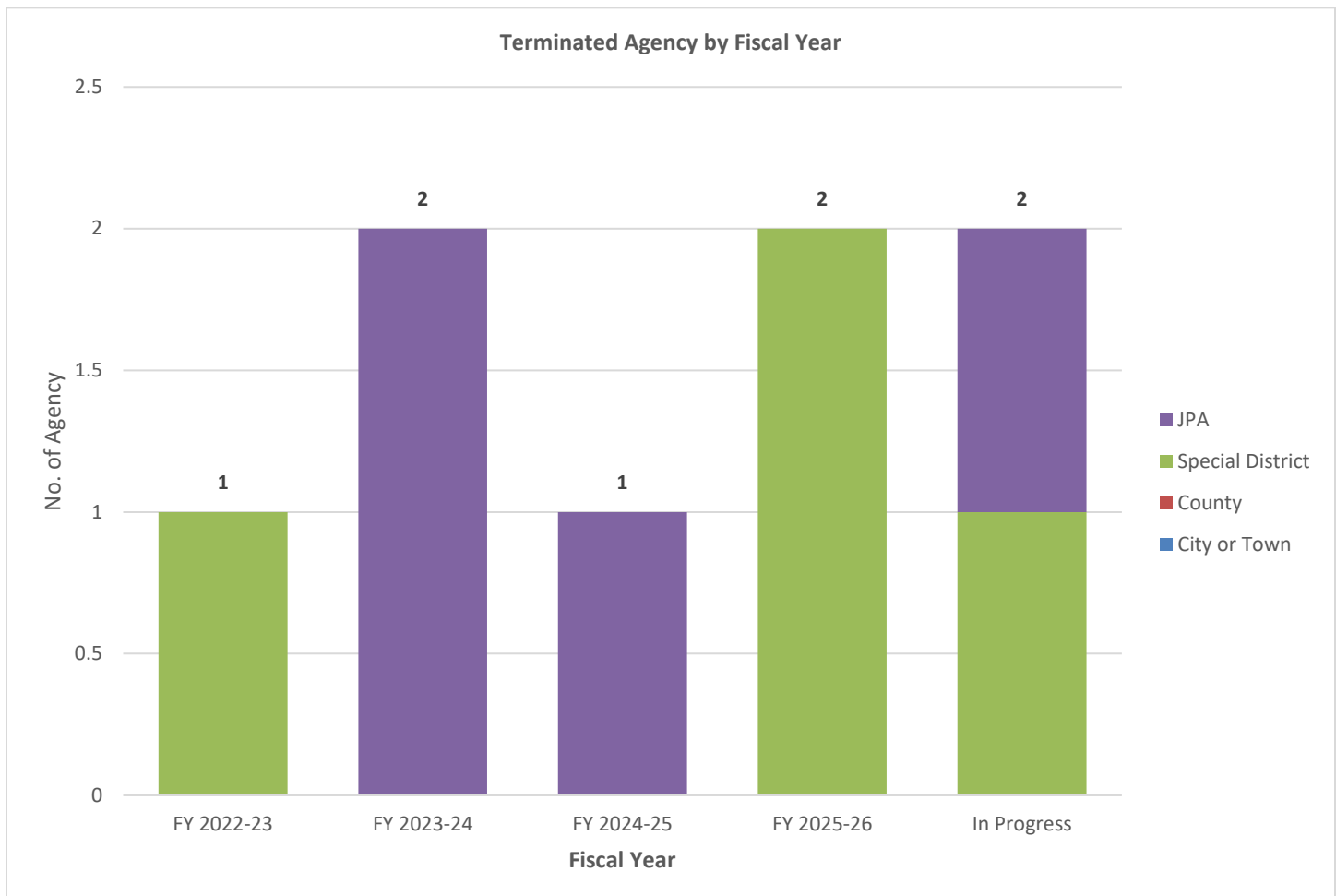
PCMP processed two voluntary pension contract terminations during fiscal year 2025-26. The following table shows the list of voluntary termination by agency type.

Terminated Agencies for Fiscal Year 2025-26

Public Agency	Agency Type	Termination Effective Date
Reclamation District Number 1660	Special District	9/9/2025
Felton Fire Protection District	Special District	2/9/2026

Currently, there are two requests for voluntary termination in progress. Most of these agencies just want to explore options to manage their pension obligations. These two agencies currently do not have any active employees. They are exploring the option to close out their contract with CalPERS.

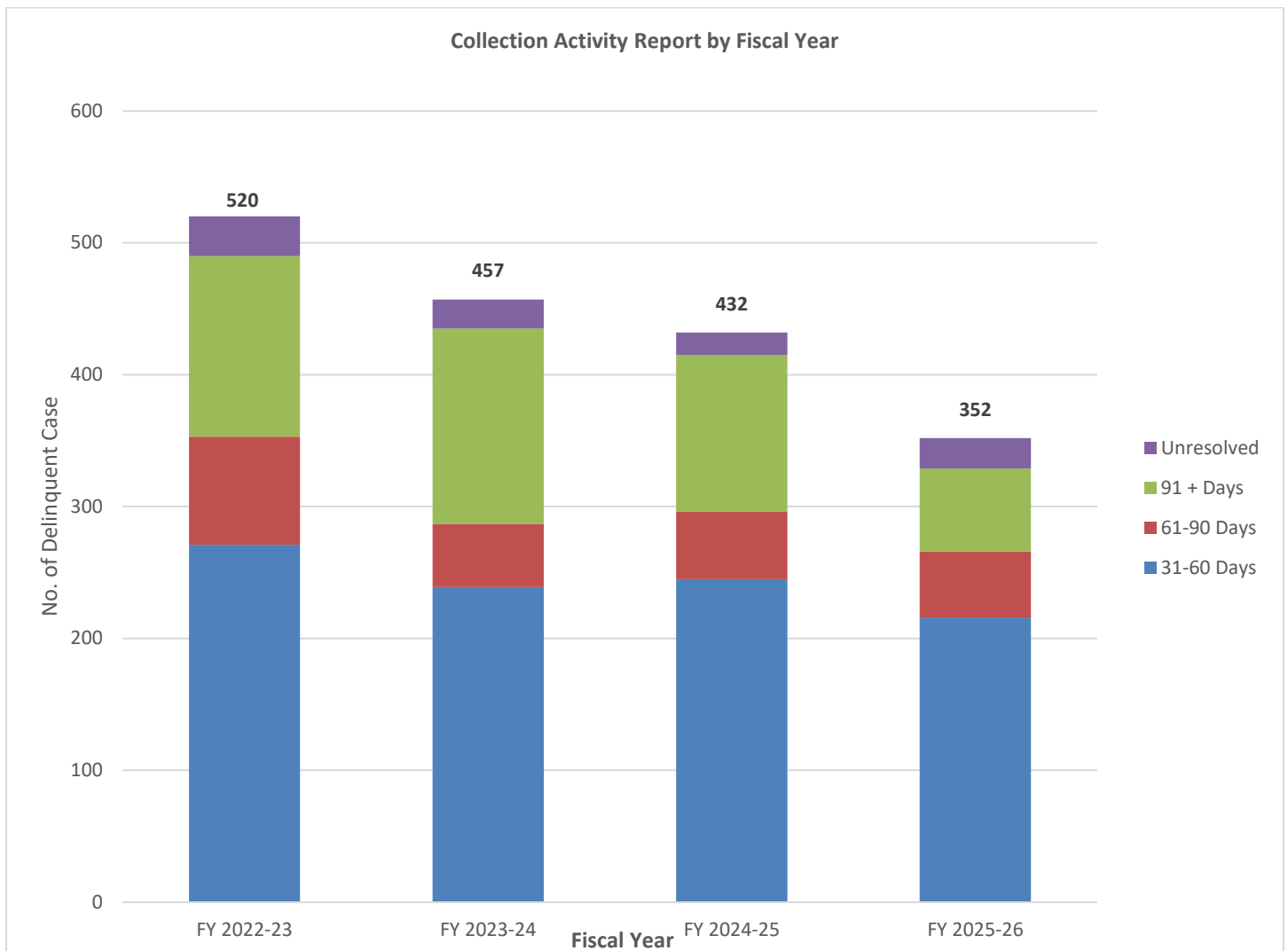
The following chart shows the total number of terminations PCMP processed for the past four years and the in-progress terminations for the current fiscal year.



Delinquency and Collection Activity Section

Collection Activities

During the fiscal year 2025-26, we reached out to 172 contract agencies to resolve 329 out of 352 delinquent cases. Throughout the year, the delinquency rate was consistently below 2%, which met our enterprise performance objective. The average quarterly delinquency rate for the fiscal year 2025-26 was 0.75%. The following chart shows the number of delinquent cases for the past four fiscal years.



The table below shows the breakdown of the collection activities during the past four fiscal years. During fiscal year 2025-26, we experienced lower delinquent cases for arrears and normal cost contributions.

Collection Report by Type

Collection Type	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26
Arrears Contribution	222	185	156	63
Golden Handshake	5	17	18	13
Normal Cost Contribution	229	206	167	190
Termination Cost	4	4	4	9
UAL Payment	30	23	70	54
Unresolved Case at the end of the fiscal year	30	22	17	23
Total	520	457	432	352

Pension Payment Plans

PCMP utilizes two primary repayment approaches for a case-by-case remedy for employers experiencing financial challenges.

For employers experiencing acute and temporary financial challenges, PCMP may provide a short-term payment arrangement not to exceed three to four months within the collections process. Currently, no contracting agencies are utilizing short-term payment arrangements.

For employers with longer-term but still temporary and surmountable financial challenges, PCMP, in conjunction with the Actuarial and Legal Offices, may offer a payment plan that sustains the employer and protects their members' accrued benefits. During the fiscal year 2025-26, there are three agencies with special circumstances on formal payment plans, all three are related to the payments for their termination costs which are the unfunded liabilities for affected members. These agencies completed their payment obligations as scheduled. The following table shows the list of agencies with payment plans during the fiscal year.

Pension Payment Plans for Fiscal Year 2025-26

Agency Name	Type of Payment	Total Outstanding Amount	Payment Term	Payment Plan End Date
San Luis Obispo Regional Transit Authority	Termination costs	\$0	5-Year	Paid Off 5/22/2026
Shasta LAFCO	Termination costs	\$34,695	7-Year	Paid Off 8/13/2026

State Social Security Administrator Program

The State Social Security Administrator (SSSA) Program assists in determining mandatory Social Security and Medicare coverage, as well as coverage under Section 218 Agreements. We are also responsible for managing and maintaining California’s Section 218 Agreements.

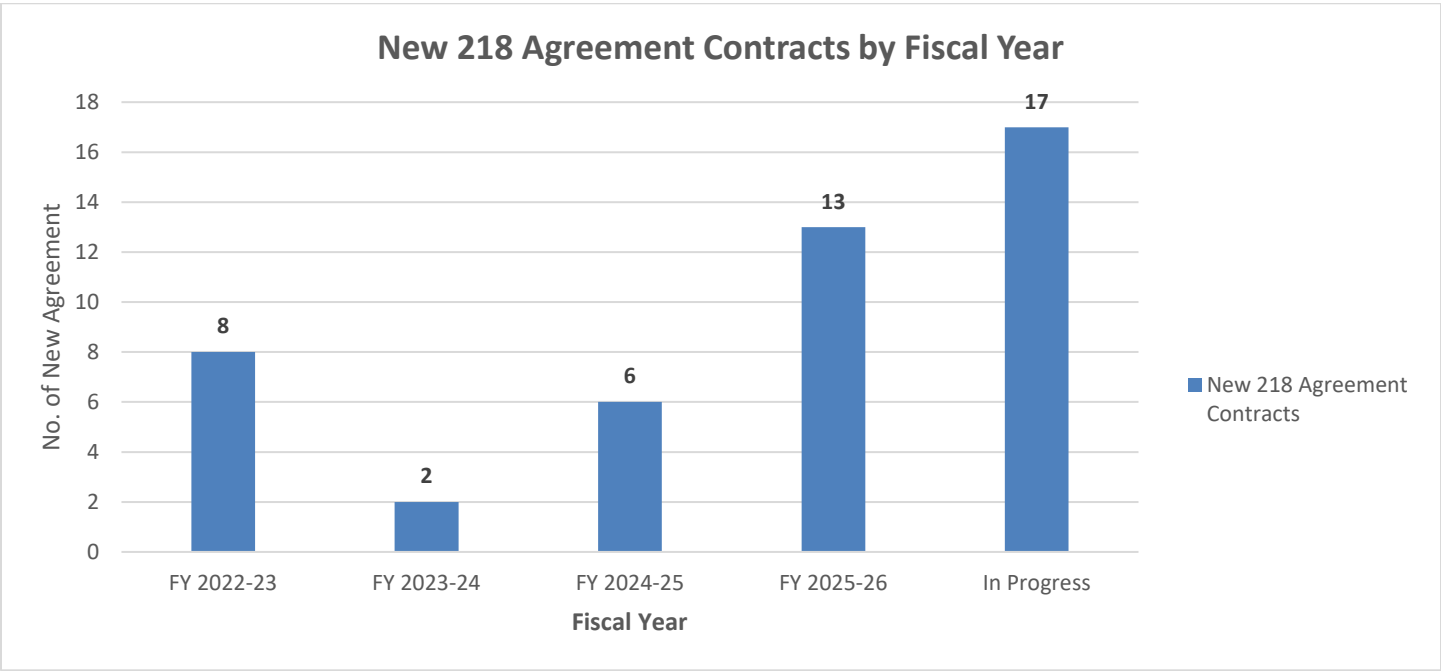
Each year, we reach out to every governmental agency using the Annual Information Request (AIR) form. Employers are required to submit this AIR form. This annual process helps us maintain up-to-date information for each employer and aids them in complying with Social Security and Medicare withholding regulations. Additionally, we manage employee elections and serve as a liaison between the Social Security Administration and the Internal Revenue Service.

During fiscal year 2025-26, SSSA completed the following contract activities:

Summary of State Social Security Administrator Activities for Fiscal Year 2025-26

Category	No. of Contracts
New 218 Agreement Contracts	13

The following chart shows the total number of 218 Agreements processed for the past four years and the in-progress 218 Agreements for the current fiscal year.



Appendix 1 – Public Agency Contract

Demographics and Funded Status Report¹

The public agency demographic information provided in the tables below is based on the most recent available actuarial valuation data from June 30, 2024, valuation reports. When updated valuation data for 2025 becomes available in September 2026, that information will be included in the subsequent PCMP report.

Public Agency Demographics Summary As of June 30, 2024

Agency Type	# of Agencies	% of Total Agencies	Total Participants ²	% of Total Participants	Current UAL (\$ in Millions)	Funded Status (%)
City and Town	451	29.97%	478,360	50.56%	\$42,708	74.17%
County	38	2.52%	257,273	27.19%	\$18,799	72.50%
Special District ³	796	52.89%	151,454	16.01%	\$11,036	77.13%
JPA	158	10.50%	33,936	3.59%	\$1,177	80.23%
Non-Profit	62	4.12%	25,119	2.65%	\$544	82.11%
Total	1,505	100.00%	946,142	100.00%	\$74,264	74.48%

¹Data Source: June 30, 2024, Annual Valuation Reports

²Include members who have service in more than one rate plan.

³Represents special districts in California that were formed and are governed under a specific California government Code, such as fire protection districts, sanitation districts, transit districts, utility districts and water districts.

The table below provides the funded status of the contracting public agencies, broken down by agency type.

Public Agency Funded Status Summary As of June 30, 2024

Agency Type	Funded Status							Total
	0% - 50%	>50%- 60%	>60%-70%	>70%-80%	>80%-90%	>90%-100%	>100%	
City or Town	0	0	111	216	83	39	2	451
County	0	0	14	22	2	0	0	38
Special District ²	1	6	87	402	200	79	21	796
JPA	0	1	15	77	39	24	2	158
Non-Profit	0	0	12	23	21	5	1	62
Total	1	7	239	740	345	147	26	1,505

¹Data Source: June 30, 2024, Annual Valuation Reports

²Represents special districts in California that were formed and are governed under a specific California government Code, such as fire protection districts, sanitation districts, transit districts, utility districts and water districts.

Appendix 2 – New Pension Contract Report by Employer for Fiscal Year 2025-26

Agency Name	Agency Type	Contract Effective Date
Capay Valley Fire Protection District	Special District	11/30/2025
Snowline Joint Unified School District	School Police	2/28/2026
Scholarship Prep-Riverside	Charter School	7/22/2025
The Palmdale Aerospace Academy	Charter School	7/22/2025
Allegiance STEAM Academy - Thrive, Fontana	Charter School	7/23/2025
Orange Springs Charter School	Charter School	7/23/2025
Scholarship Prep-San Bernardino	Charter School	8/14/2025
Magnolia Science Academy -Orange County	Charter School	2/10/2026

Appendix 3 – Pension Contract Amendments

Report by Employer for Fiscal Year 2025-26

Agency Name	Agency Type	Amendment Effective Date	Amendment Type
Access Services Incorporated	Miscellaneous	3/24/2026	Amend Contract for PEPR Language
Alameda County Law Library	City or Town	1/28/2026	Update Benefit Formula from Full to Modified/Supplemental Formula
Arbuckle-College City Fire Protection District	Fire District	6/1/2026	Amend Contract for PEPR Language
Beaumont-Cherry Valley Water District	City or Town	5/14/2026	Amend Contract for PEPR Language
City of Calabasas	City or Town	3/14/2026	Section 20903 (Two Years Additional Service Credit)
City of Calabasas	City or Town	4/22/2026	Section 20903 (Two Years Additional Service Credit)
City of Coachella City	City or Town	9/24/2025	Section 20903 (Two Years Additional Service Credit)
City of Commerce	City or Town	3/11/2026	Section 20903 (Two Years Additional Service Credit)
City of Commerce	City or Town	3/10/2026	Section 20903 (Two Years Additional Service Credit)
City of Hollister	City or Town	1/22/2026	Amend Contract for PEPR Language
City of Oxnard	City or Town	4/26/2026	Section 20475 (Different Level of Benefits)
City of Poway	City or Town	6/5/2026	Amend Contract for PEPR Language
City of San Dimas	City or Town	4/25/2026	Amend Contract for PEPR Language
City of San Jacinto	City or Town	5/14/2026	Amend Contract for PEPR Language
City of Santa Barbara	City or Town	7/12/2025	Section 20423.3 (Local Safety Member for airport officers)
City of Vista	City or Town	6/13/2026	Section 20434 ("Local Fire Fighter" shall include any officer or employee of a fire department employed to perform firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation services)
City of Westlake Village	City or Town	4/26/2026	Amend Contract for PEPR Language
County of Humboldt	County	7/6/2025	Section 21024 (Military Service Credit) and Section 20965 (Credit for Unused Sick Leave)

Appendix 3 Continued

Agency Name	Agency Type	Amendment Effective Date	Amendment Type
County of Nevada	County	7/6/2025	Section 20438 (Probation Officers and Juvenile Hall employees as County Peace Officers)
County of Sutter	County	10/14/2025	Section 21024 (Military Service Credit as Public Service)
El Dorado County Schools (Buckeye Unified School District)	School	4/7/2026	Section 20903 (Two Years Additional Service Credit)
El Dorado County Schools (Buckeye Unified School District)	School	10/7/2025	Section 20903 (Two Years Additional Service Credit)
Georgetown Fire Protection District	Fire District	1/10/2026	Section 20434 (Any officers perform fire prevention, fire training, hazardous materials, emergency medical services as "Local Fire Fighters")
Humboldt Bay Fire Joint Powers Authority	Fire District	46156	Amend Contract for PEPRA Language
Humboldt Bay Harbor Recreation and Conservation District	Port Authority/Harbor District	1/9/2026	Update Benefit Formula from Full to Modified/Supplemental Formula
Humboldt County Schools	School	10/8/2025	Section 20903 (Two Years Additional Service Credit)
Kaweah Delta Water Conservation District	Water/Flood Control District	6/3/2026	Amend Contract for PEPRA Language
Merced County Schools (Los Banos Unified School District)	School	11/7/2025	Section 20903 (Two Years Additional Service Credit)
North Bay Regional Center	Regional Center / Rehab Facilities	2/5/2026	Amend Contract for PEPRA Language
North of the River Recreation and Park District	Park &/or Recreation District	4/21/2026	Amend Contract for PEPRA Language
Oakdale Irrigation District	Irrigation District	5/13/2026	Amend Contract for PEPRA Language
Sacramento Yolo Mosquito and Vector Control District	Vector Control District	6/17/2026	Amend Contract for PEPRA Language
San Andreas Regional Center, Inc.	Regional Center / Rehab Facilities	1/22/2026	Amend Contract for PEPRA Language
Santa Fe Irrigation District	Irrigation District	6/19/2026	Amend Contract for PEPRA Language
Vallejo Flood and Wastewater District	Sanitation (Garbage/Sewer) District	4/22/2026	Amend Contract for PEPRA Language

Appendix 4 – Social Security Executed 218

Agreements for Fiscal Year 2025-26

Agency Name	Agency Type	Agreement Executed Date
Kern County Hospital Authority	JPA	8/4/2025
Sutter County Schools	County Office of Education	8/4/2025
Shasta Valley Resource Conservation District	Special District	2/2/2026
San Luis Obispo Air Pollution Control District	Special District	8/4/2025
Yolo County Resource Conservation District	Special District	8/4/2025
Feather River Resource Conservation District	Special District	12/8/2025
Humboldt County Resource Conservation District	Special District	8/4/2025
Humboldt Bay Harbor Recreation and Conservation District	Special District	8/4/2025
Stanislaus County Schools	County Office of Education	3/26/2026
Cottonwood Fire Protection District	Special District	3/26/2026
June Lake Public Utility District	Special District	3/26/2026
Resource Conservation District of Tehama County	Special District	3/26/2026
San Diego County Regional Airport Authority	JPA	3/26/2026