Supplement Income Plans (SIP)

SIP Program Overview

The Supplemental Income Plans (SIP) program offers two deferred compensation plans: the CalPERS 457 Plan and the Supplemental Contributions Plan (SCP). The CalPERS 457 Plan is a 457(b) deferred compensation supplemental retirement income plan that is available to employees of local public agencies and schools that contract with CalPERS for this plan. The SCP is a 401(a) after-tax supplemental contributions program available to state employees, as well as active judges who are members of the Judges' Retirement Systems I and II.

FY 2025-2026 SIP Program

Program Participants	Count
Contracted Agencies	867
Plan Participants	44,277

FY 2025-2026 SIP Service Delivery

Category	Results
New Contracted Agencies (see Appendix for listing)	14
Participant Enrollments	3,262
Participants Group Education Presentations	382
Participant Education Plan Reviews (individual)	11,233
On-Site Agency Visits	1,282
Webinars	55
Staff Outreach Agency Retention Calls	345
Agency Plan Reviews	71
Distributed Year-End Agency Plan Statements to All Contracted Agencies	862
Social Media Campaigns	6

SIP Participating Employers by Agency Type

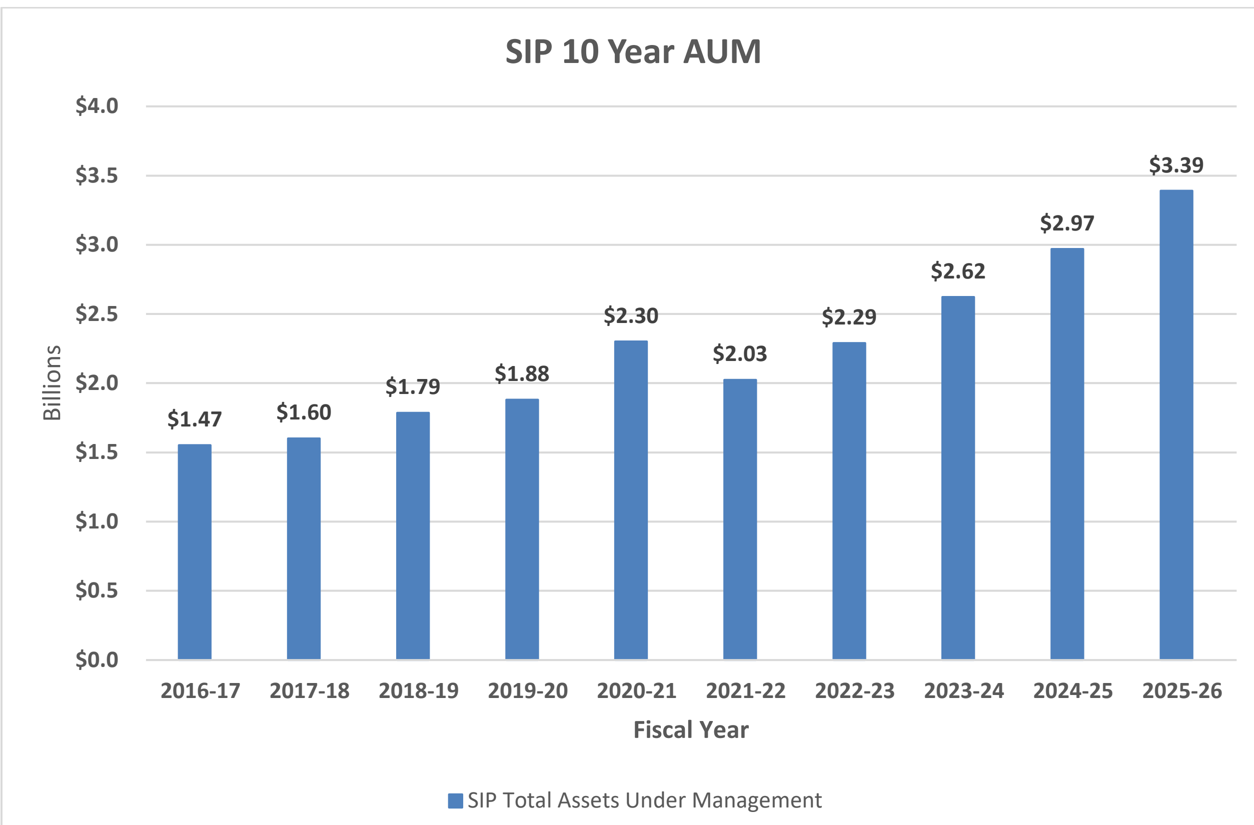
The table below provides a breakout of participating agency types. A list of employers who contracted with the SIP (457 Plan) in FY 2025-26 is found in the Appendix.

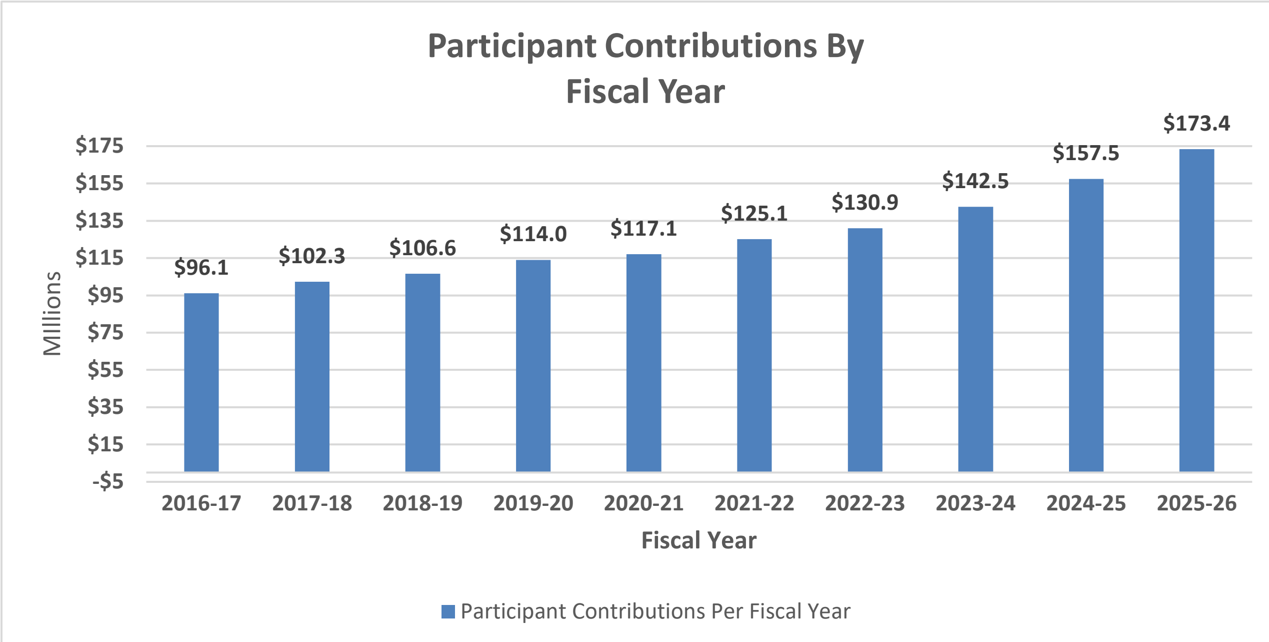
SIP Agencies by Type

Agency Type	Number of Contracting Agencies
Special Districts	516
Schools	212
Cities or Towns	105
Counties	15
Courts	19
Total	**867**

SIP Assets Under Management and Contributions

In the FY 2025-26, the AUM for the SIP increased to $3.39 billion. This represents a growth of $420 million, attributed to both strong investment performance and contributions from participants. The tables below provide 10-year historical comparisons for AUM and participant contributions.





Enhancements to the CalPERS 457 Plan

Award Recognition

In the FY 2025-26, the SIP dedicated itself to enhancing the participant experience through a greater emphasis on digital administration. This initiative included the development of digital engagement opportunities for current participants and the introduction of online enrollment capabilities for eligible employees who had not yet enrolled, thereby facilitating their journey towards achieving retirement goals. The SIP also focused on increasing awareness of available digital tools and cybersecurity best practices, helping participants access resources securely and making retirement savings more convenient and accessible.

For the second consecutive year, the SIP was recognized by the National Association of Government Defined Contribution Administrators (NAGDCA) and received the 2026 NAGDCA Leadership Award. This award honors excellence in technology and cybersecurity.

Online Contribution Rate Change

During FY 2025-26, the SIP initiated system design for an online feature that will allow participants to change their CalPERS 457 Plan contribution rates, providing an alternative to the existing paper form process. Additionally, the SIP coordinated the implementation across various payroll systems by allowing employers to download files into their systems. This enhancement is expected to increase efficiency, reduce processing times, and improve the participant experience. Implementation is expected to be completed in FY 2026-27.

SECURE 2.0 Act Section 603, Roth Age 50+ Catch-Up Contribution

As part of the implementation of Section 603 of the SECURE 2.0 Act, the SIP has proactively undertaken several initiatives to assist participating employers in adhering to the new Roth catch-up contribution requirements for specific higher-wage employees subject to FICA taxes, with a deadline set for December 31, 2026.

The SIP identified participating employers that may be subject to these requirements and developed clear, easy-to-understand guidance to assist them in identifying affected employees and administering the new provision. These resources were designed to simplify what is a complex regulatory change and to help employers understand their responsibilities while minimizing administrative burden.

The SIP will continue working closely with participating employers and the recordkeeper to provide ongoing communication and support as the new requirements are implemented.

Monthly Employer News Webinar

In March 2026, the SIP launched a monthly webinar series designed for participating employers. This initiative addresses ongoing changes in the retirement industry, including updates from the SECURE Act and related regulations.

The webinars offer employers timely news, program updates, and educational resources to help them navigate developments affecting their administration of the program. Each session includes current events and emerging topics, ensuring that the content remains relevant and engaging.

Since its launch, the webinars have attracted between 50 and 130 employers each month. The SIP will continue to utilize this platform to enhance employer education, strengthen engagement, and provide timely information.

SIP Target Retirement Date Fund Highlights

Target Retirement Date Fund returns were between 10.9% and 23.4% before fees for the 12 months ending June 30, 2026.

The table below provides the CalPERS Target Retirement Date Funds and Core Fund returns before fees for the 12 months ending June 30, 2026, as compared to their respective benchmarks. Effective October 1, 2026, the SIP will implement the approved glide path rebalance for the Target Retirement Date Funds, adding Treasury Inflation-Protected Securities (TIPS) to help reduce portfolio volatility and provide inflation protection. For the CalPERS 457 Plan and SCP net investment performance returns, click on the following respective links:

457: https://my.voya.com/pptplaninfo/pdfs/forms/calpers/450001/457_Plan_June2026.pdf

SCP: https://my.voya.com/pptplaninfo/pdfs/forms/calpers/452001/SCP_Plan_June2026.pdf

SIP Target Date Fund Line Up and Performance for Fiscal Year Ending June 30, 2026

Fund	Assets (mil)	Gross Return	Benchmark
Income	$198.6	10.9%	10.8%
2020	$180.6	11.5%	11.4%
2025	$260.7	14.1%	14.0%
2030	$349.1	16.6%	16.4%
2035	$284.1	18.9%	18.7%
2040	$279.3	21.6%	21.4%
2045	$190.8	23.4%	23.2%
2050	$126.6	23.4%	23.2%
2055	$55.1	23.4%	23.2%
2060	$24.5	23.4%	23.2%
2065	$11.8	23.4%	23.2%

SIP Core Fund Line Up and Performance for Fiscal Year Ending June 30, 2026

Fund	Assets (mil)	Gross Return	Benchmark
US Equity Index Fund	$994.6	22.8%	22.8%
International Equity Index Fund	$112.8	27.1%	26.6%
Real Assets Fund	$26.4	22.1%	21.8%
Intermediate-Term Bond Index Fund	$54.2	3.8%	3.8%
Short-Term Bond Index Fund	$43.3	3.1%	3.1%
Short-Term Investment Fund	$115.6	4.1%	3.8%

Appendix

The following table provides a listing of new contracted employers for Supplemental Income Plans who joined in FY 2025-26.

New Contracted Employers FY 2025-2026

SIP (457 Plan)
Redwood Valley-Calpella Fire District
Nevada Cemetery District
Del Puerto Health Care District
Janesville Union Elementary School District
Monterey County Superior Court
Pomona Valley Transportation Authority
Lone Pine Unified School District
Gateway Cities Council of Governments
City of Angels
City of Gridley
Stinson Beach Fire Protection District
Tuolumne City Sanitary District
Redding Elementary School District
Inverness Public Utility District