Finance and Administration Committee

Agenda Item 4c

November 17, 2026

Item Name: Pension Contracts Management Program Quarterly 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 pension contracts participating employers. The item provides an update on the pension contracting program, collection activities, and terminations in progress.

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 long-term sustainability.

Background

This agenda item provides a quarterly program report update regarding the status of participating pension employers for new contracts, terminations in progress and employers 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 also provides education to contracting agencies regarding the process of pension contract terminations and addressing outstanding receivables related to contracted benefits and employer contributions. The quarterly agenda item provides information on pension contracting, pension contract terminations in progress, and participating employers experiencing hardship.

Analysis

The Pension Contracts Management Program Quarterly Report summarizes the program status and activities during the first quarter of the fiscal year 2026-27. Additionally, the report provides an update on employers experiencing financial hardship who are on an active payment plan.

Voluntary Contract Termination Updates

Contracting agencies may voluntarily terminate their contract with CalPERS if the contract has been in effect for at least five years. During the first quarter of fiscal year 2026-27, no requests to terminate were received. Currently, one request for voluntary termination is in progress. The following table lists agencies with voluntary terminations by agency type.

FY 2026-27 Terminated Agencies

Public Agency	Agency Type	Total Members	Resolution of Intention Effective Date	Contract Termination Effective Date
San Simeon Community Service District	Special District	2	12/4/2025	

Delinquency and Collection Activity Updates

Contracting agencies are responsible for making timely payments on their pension obligations to CalPERS. PCMP staff work closely with contracting agencies to ensure timely resolution of routine collection issues. The Collections Activity table below provides a summary of collection activities during the first quarter of fiscal year 2026-27 and offers a snapshot of outstanding cases through October 16, 2026. Of the 37 outstanding cases presented last quarter, 16 were resolved and 21 remained outstanding, totaling $478,337. We are actively working with the employers to resolve the delinquencies, and we believe they are solvable.

FY 2026-76 Collection Activity Report

Status Report	Q1 (July 1 – September 30)	Resolved As of 10/16/2026	Pending Resolution As of 10/16/2026
Collection Cases	37 Cases	16 Cases	21 Cases
Total Outstanding Amount	$610,638	$132,301	$478,337

Pension Payment Plans Updates

Payment plans are approved on a case-by-case basis for employers experiencing acute and temporary financial challenges. For employers facing longer-term but still temporary and surmountable financial challenges, the Financial Office, in conjunction with the Actuarial and Legal Offices, may offer a payment plan designed to support the employer while protecting members' accrued benefits. Currently, no agencies are on a 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 collection issues
- Attention to and escalation of serious collection issues to CalPERS management Improved long-term sustainability of the pension fund
- Ensure compliance with the Social Security Administration to provide Social Security and Medicare coverage for state and local government employees

Potential risks could include:

- Risk of employer's default on their required contributions
- Involuntary terminations which may result in benefit reductions for members

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