

California Society of Municipal Finance Officers Annual Conference
January 30, 2020

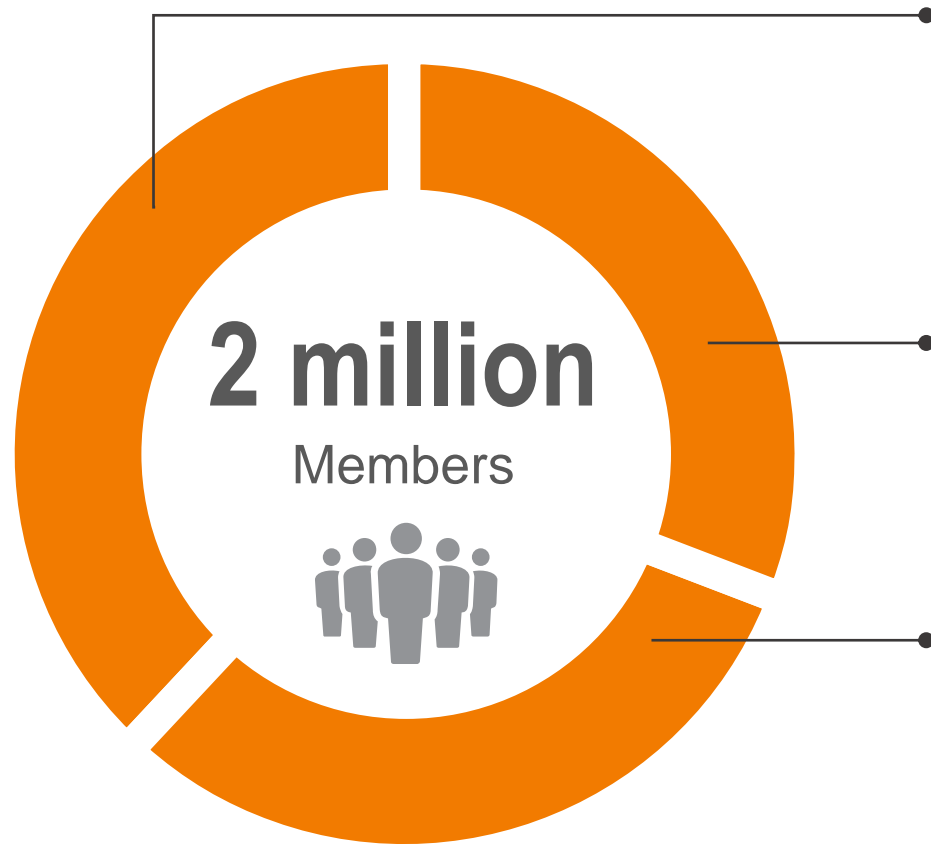
CalPERS Priorities for the Future

Marcie Frost

CalPERS Chief Executive Officer



Members Are Our Focus



38% School members

31% State members

31% Public Agency members

Where We Stand Today



71%

Funded status
(estimate)



**\$372.6
billion**

Market value



2 million

Members

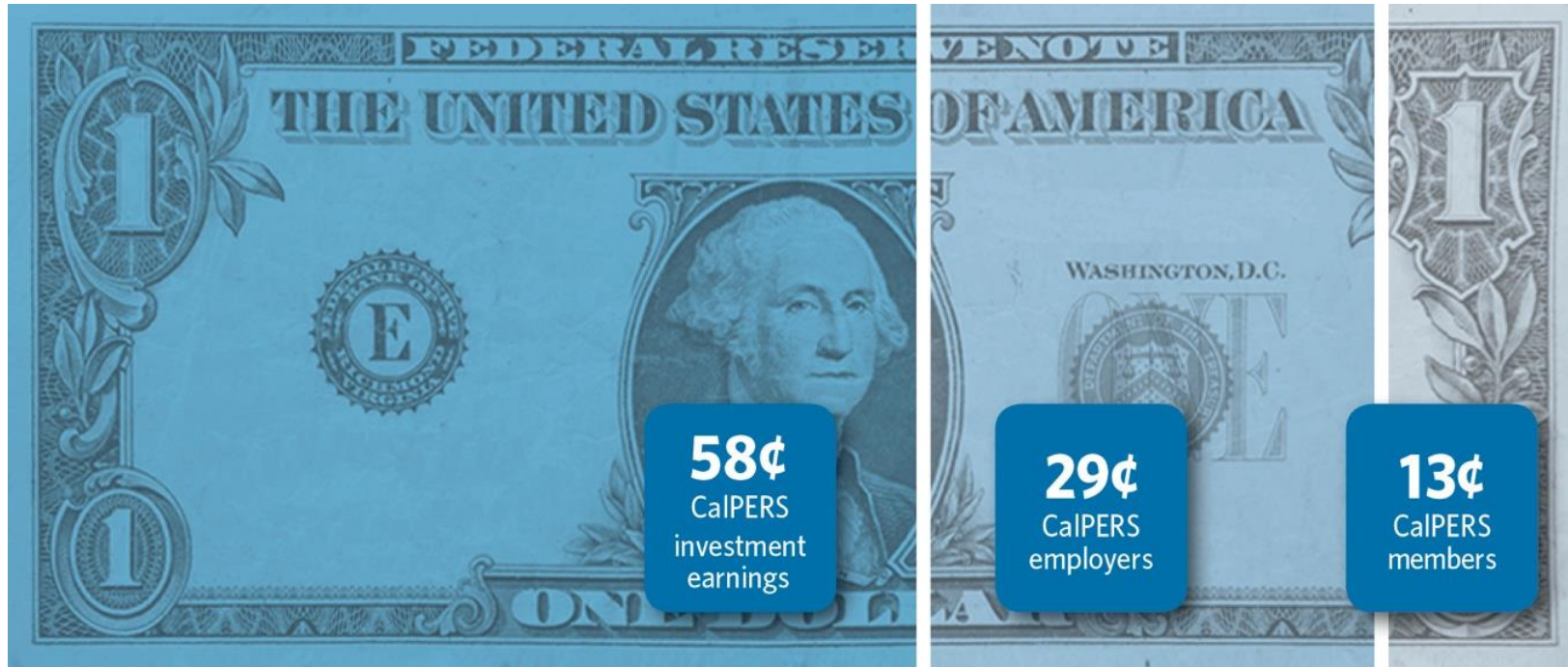


**\$24.2
billion**

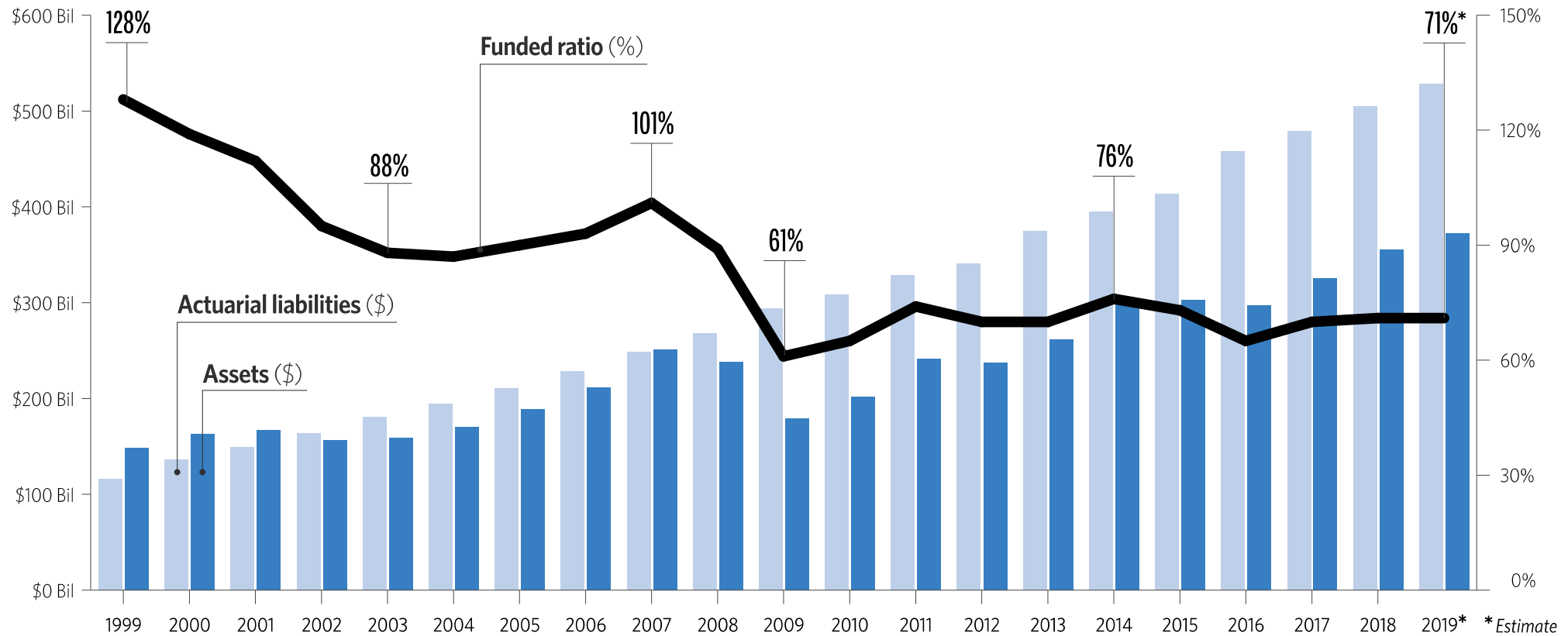
Paid in benefits

Fiscal Year 2018-19

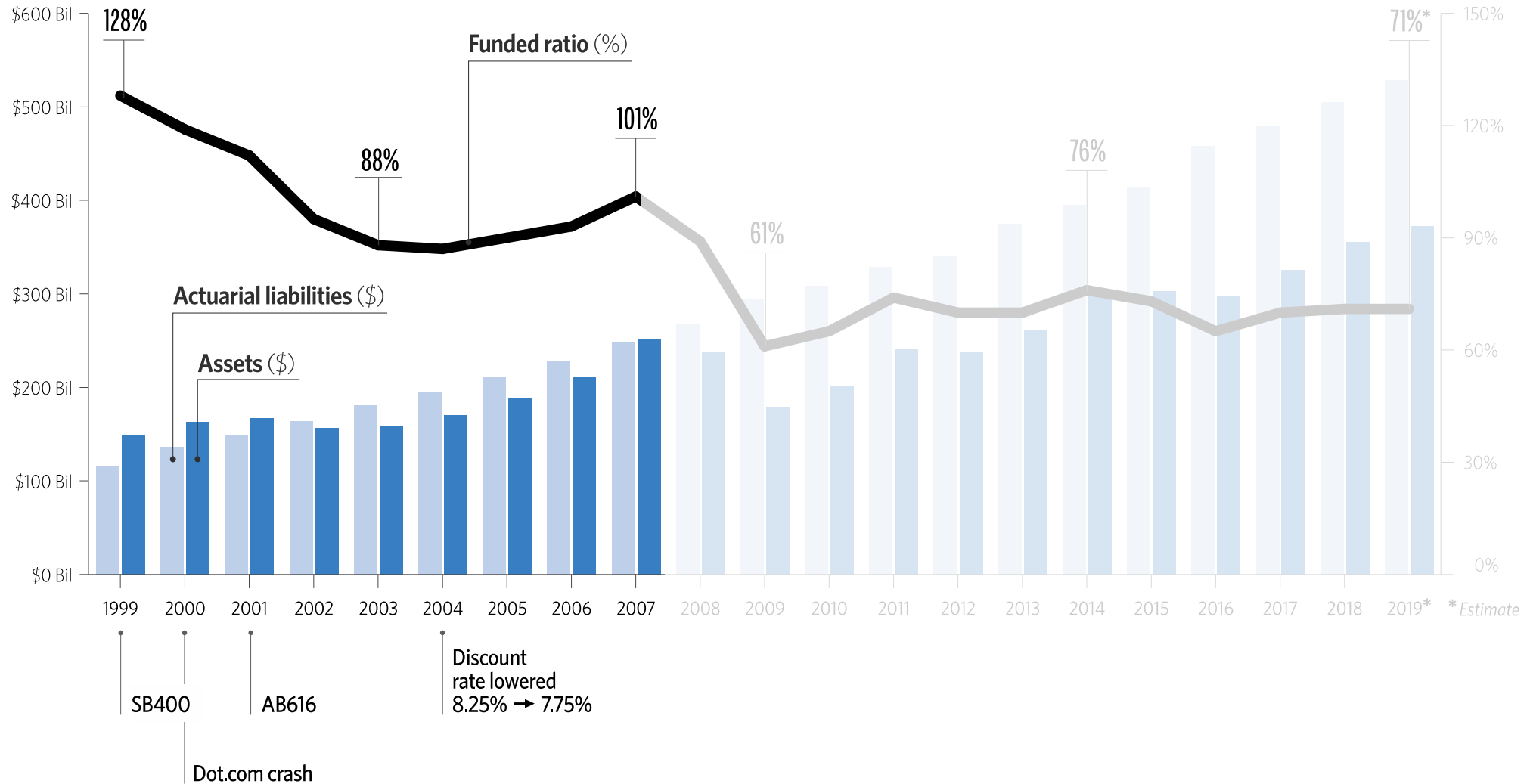
How Contributions Are Paid



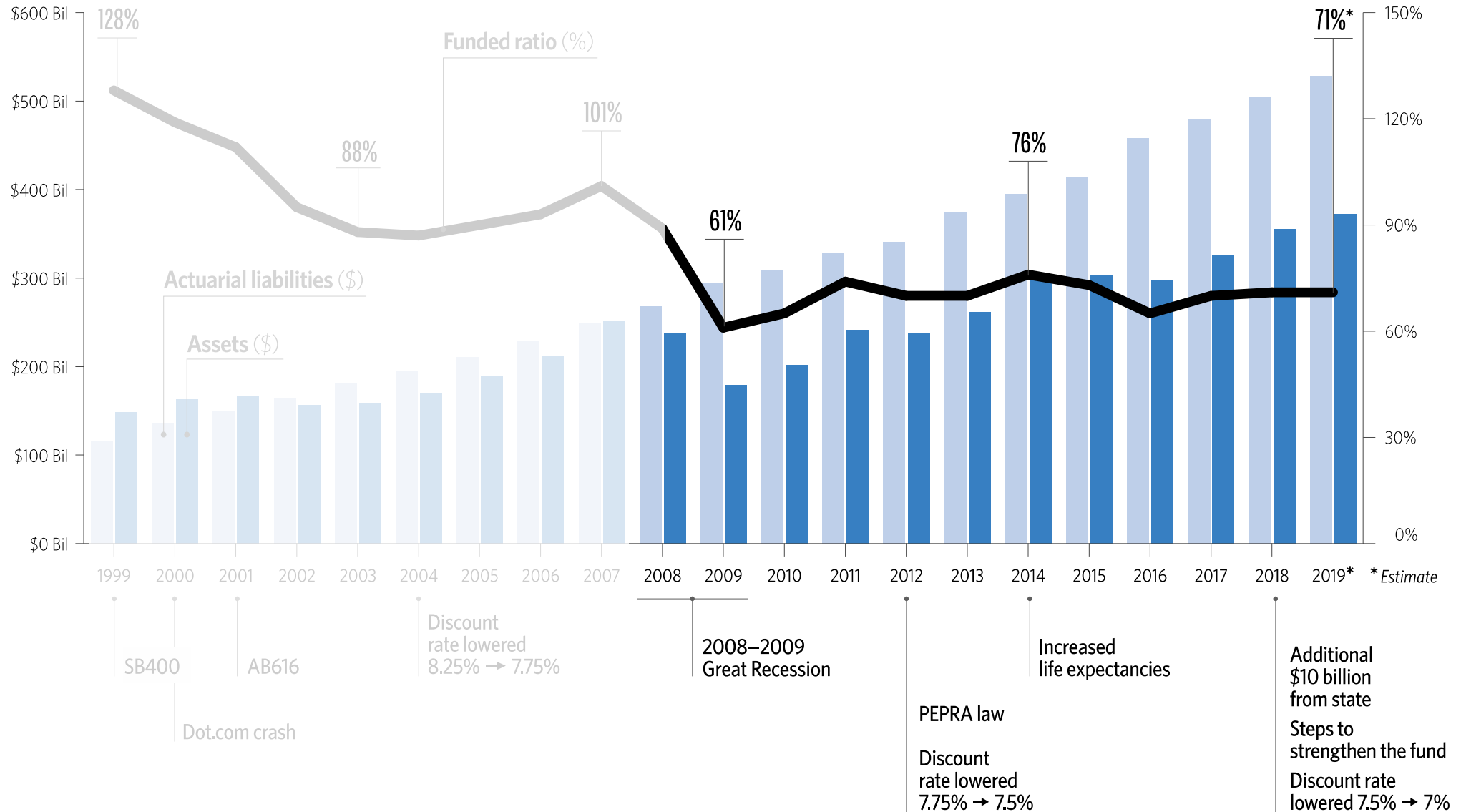
How We Got Here – 20-Year Look



How We Got Here – 1999-2007



How We Got Here – 2008-2018

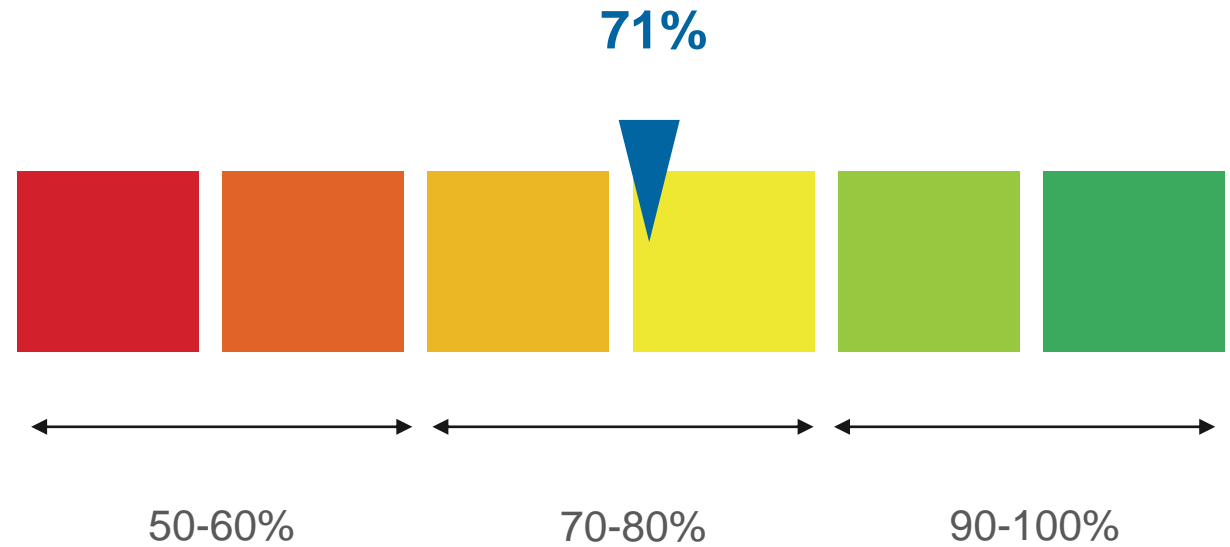


Strong Progress but Challenges Ahead

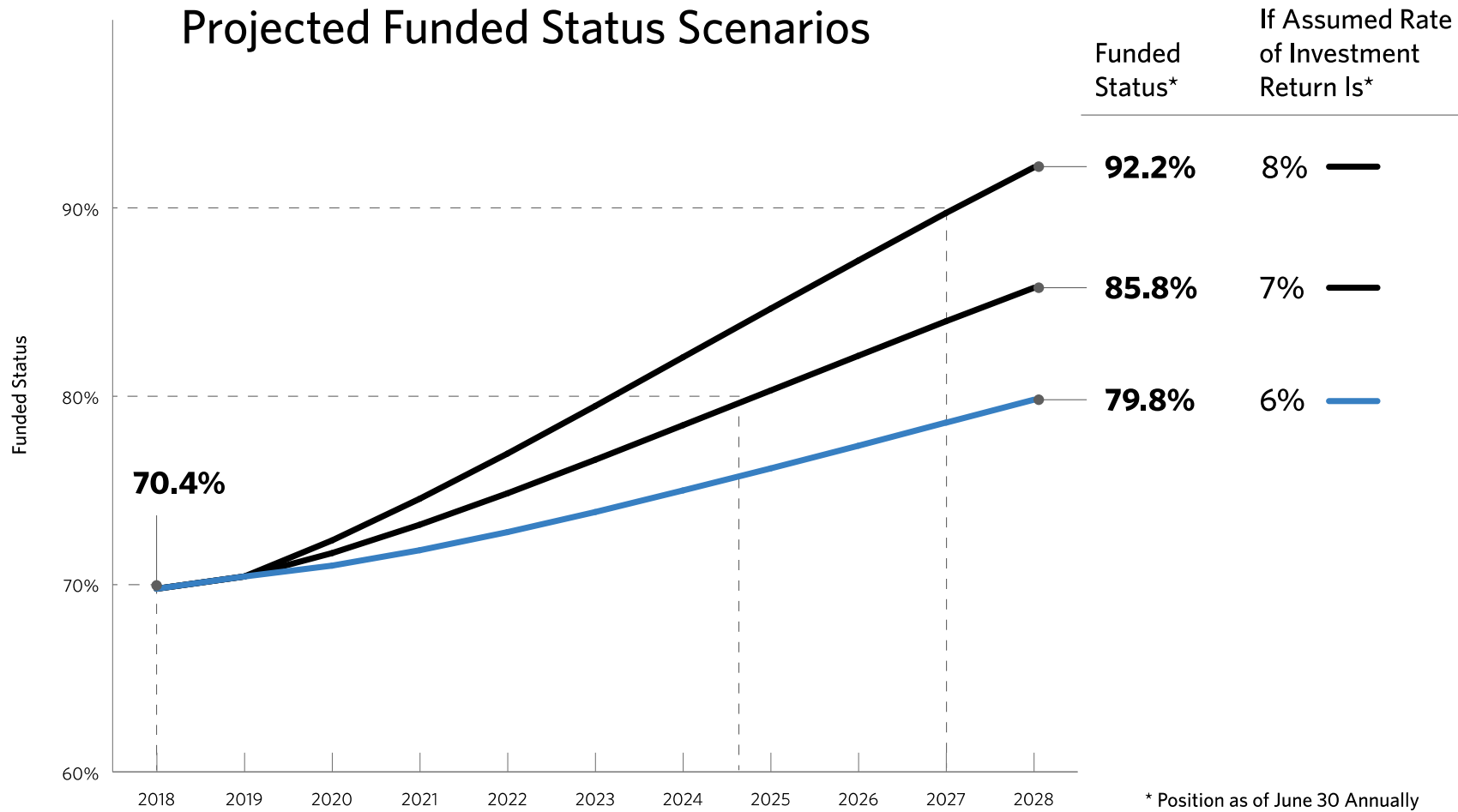


Funded status goal:

100%

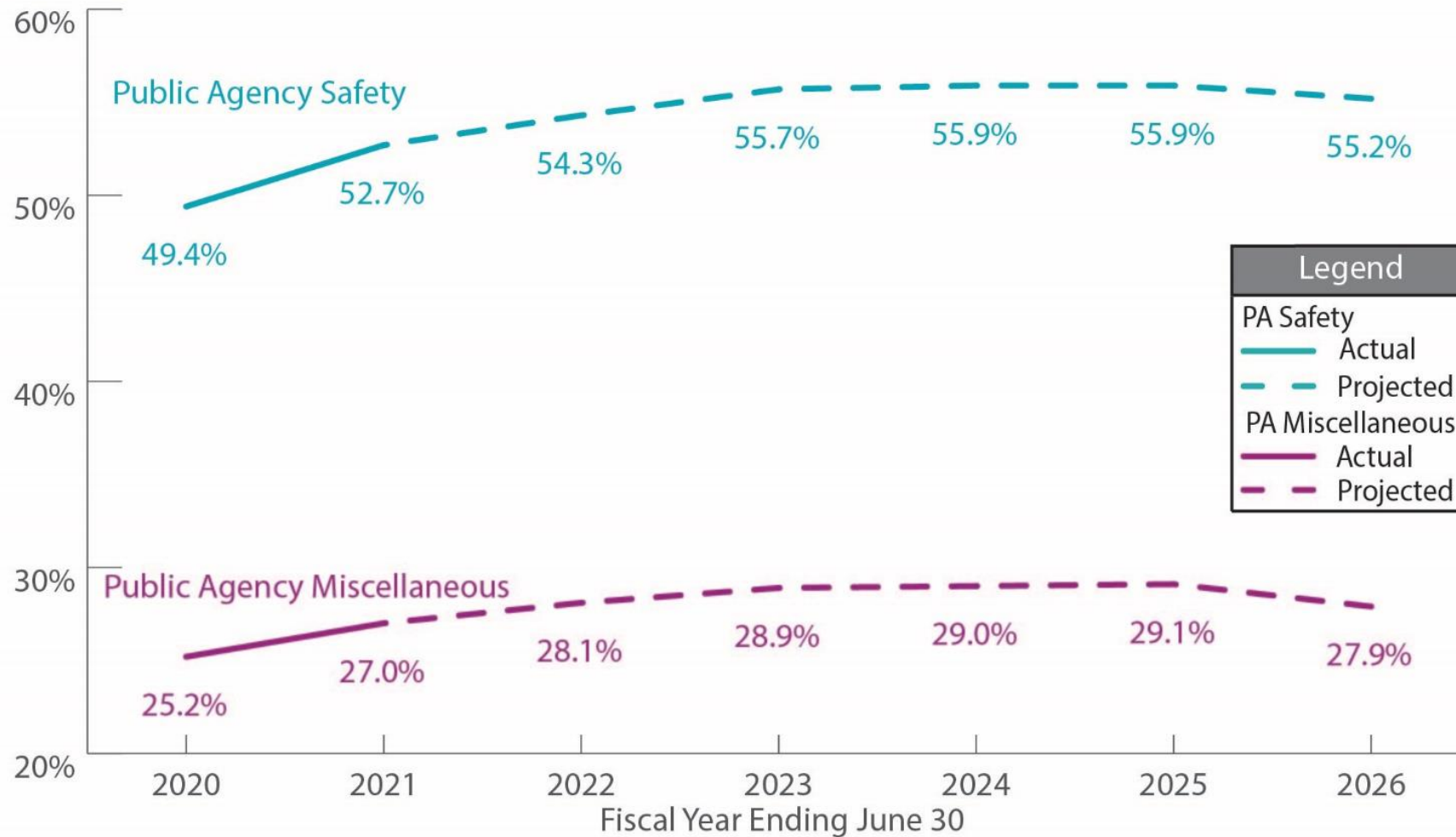


Looking Ahead



Public Agency Employer Contributions

Average of Public Agency Total Employer Contribution Rates (FY 2019-20 to 2025-26)



Risk Mitigation Policy

For valuations effective: State and schools: FY 21-22; Public agencies: FY 22-23

If actual investment returns exceed the discount rate by: <i>(percentage points)</i>	Then the discount rate will be reduced by:	And the expected investment return will be reduced by:
2	5 bps (6.95%)	5 bps (6.95%)
7	10 bps	10 bps
10	15 bps	15 bps
13	20 bps	20 bps
17	25 bps	25 bps

Three Key Risks



Investment
Risk

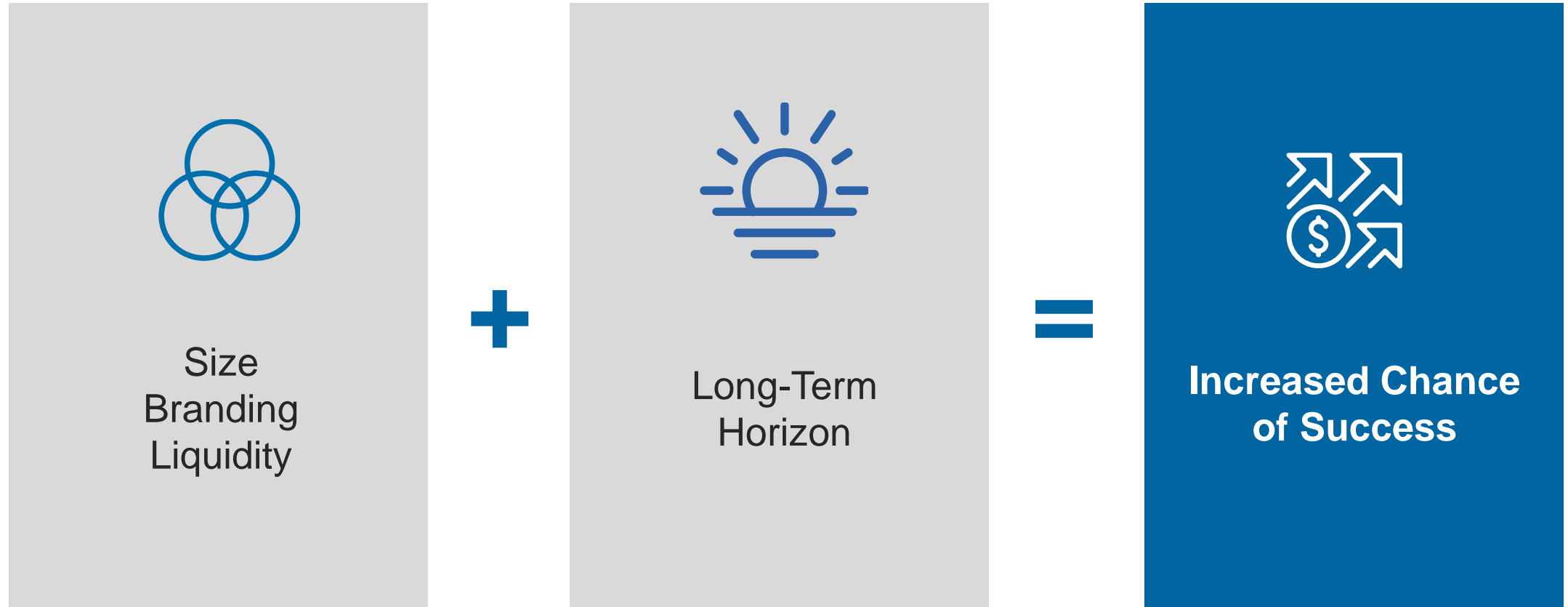


Climate
Risk



Employer
Affordability

Investment Focus: CalPERS Advantages



Employer Affordability



Funding
Programs



Pension
Tools



Partnerships

CalPERS Health Program

1.5 million

COVERED LIVES

2nd largest

PURCHASER IN U.S.

\$9 billion

SPENT ON BENEFITS

Health Priorities



Address rising
Rx costs



Engage in
health policy



Contain costs
and drive quality



Improve
health outcomes



We Serve  CA