

The California Employers' Pension Prefunding Trust

Prefund future pension costs with a CalPERS trust fund

The CEPPT is designed to give public agencies who offer defined benefit pensions the opportunity to save money by investing now for their future pension contributions.

How can you use the CEPPT?

- Prefund normal cost contributions and unfunded liability payments
- Make additional discretionary payments
- As a contingency fund for future volatility

Advantages

The CEPPT is designed to save you money and stabilize your budget by offering:

- CalPERS investment management
- Low total participation costs
- Efficient and effective customer outreach and support
- Simple and streamlined account transactions

Participation Costs

The CEPPT is a self-funded, not-for-profit program where participating employers pay for the total cost of trust operation. The CEPPT has an all-inclusive fee rate of 25 basis points (0.25 percent) of employer account assets under management. There are no other fees. All employers pay the same fee rate, which may be higher or lower in the future.

“ The CEPPT program gives us a powerful tool to help ensure the stabilization and sustainability of our long-term retirement benefits. With its low fees, flexibility, risk diversification, and professional staff, it is the perfect program to save money for our agency and the ratepayers we serve. ”

– Robert Housley, Director of Finance and Human Resources
Midway City Sanitary District

The CEPPT is an employer pension contribution prefunding trust fund administered by CalPERS that was established by Senate Bill 1413 and formed under Section 115 of the Internal Revenue Code.

Figures as of October 2022

Portfolio Options

The CEPPT offers two broadly diversified, risk-efficient, and cost-effective investment options. You may choose one or both investment options based on your investment time horizon. You control the funding decisions as contributions and disbursements are voluntary.

CEPPT Portfolios	Strategy 1	Strategy 2
Expected Net Rate of Return	4.5%	3.5%
Standard Deviation	8.8%	6.1%

Asset Classification	Benchmark	Strategy 1	Strategy 2
Global Equity	MSCI ACWI IMI (Net)	37% ±5%	21% ±5%
Fixed Income	Bloomberg U.S. Aggregate Bond Index	44% ±5%	61% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid (Net)	14% ±5%	9% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index (Series L)	5% ±3%	9% ±3%
Liquidity	91-Day Treasury Bill	0% +2%	0% +2%

Contact Us

For more information, visit us online at www.calpers.ca.gov/ceppt, call a CEPPT program representative at (916) 795-9071, or email CEPPT4U@calpers.ca.gov.