

Cost-of-Living Adjustment (COLA)

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Retirement Benefit Services Division

Cost-of-Living Adjustment

- Retirement law provides for the payment of an annual COLA to help maintain purchasing power
- A retiree becomes eligible for COLA in the second calendar year of retirement
- COLA Provisions: 2%, 3%, 4%, 5%
 - 98% of retirees have a 2% COLA provision
- Adjustments on May 1st dated retirement check
- Dependent on 3 factors:
 - Consumer Price Index for All Urban Consumers
 - Employer contracted COLA provision
 - The year of retirement

Purchasing Power Protection Allowance (PPPA)

- Benefit designed to maintain the original purchasing power of CalPERS retirees to a predetermined limit when accumulated COLA has not maintained pace with inflation.
 - 75% State and Schools
 - 80% Public Agencies
- Whether a PPPA adjustment is payable is determined each year after the annual COLA is applied.
- Payable on the May 1 retirement check each year.

Cost-of-Living Adjustment

State and Schools	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2023
1965-1981*	8.00%
1982*	5.06%
1983*	3.82%
1984-2005	2.00%
2006	2.13%
2007	2.98%
2008	4.77%
2009	2.42%
2010	2.06%
2011	3.22%
2012	3.29%
2013	2.74%
2014	2.36%
2015-2021	2.00%
2022	Not Eligible

Contracting Agencies 2% Provision	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2023
1965-1984*	8.00%
1985*	6.71%
1986*	6.79%
1987*	5.08%
1988*	2.98%
1989-2005	2.00%
2006	2.13%
2007	2.98%
2008	4.77%
2009	2.42%
2010	2.06%
2011	3.22%
2012	3.29%
2013	2.74%
2014	2.36%
2015-2021	2.00%
2022	Not Eligible

95% of retirees with 2% Provision

*These retirement years include PPPA adjustments

Communication

- PERSpective Article
- Updates to CalPERS website
- myCalPERS