

# Cost-of-Living-Adjustment (COLA)

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# 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%
  - 95.8% of retirees have a 2% COLA provision
- Adjustments on May 1<sup>st</sup> 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 2% COLA	
Retirement Year	Allowance Increase (COLA and PPPA) effective May 1, 2024
1965-1983*	4.12%
1984*	3.68%
1985*	2.11%
1986*	2.19%
1987-2007	2.00%
2008	2.07%
2009-2022	2.00%
2023	Not eligible

Contracting Agencies 2% COLA	
Retirement Year	Allowance Increase (COLA and PPPA) effective May 1, 2024
1965-1988*	4.12%
1989*	2.31%
1990-2007	2.00%
2008	2.07%
2009-2022	2.00%
2023	Not eligible

783.9K Retirees  
(95.8% of population)  
have 2% contracted COLA  
benefit

\*These retirement years include PPPA adjustments

## Communication & Resources

- PERSpective Article
- Updates to [www.calpers.ca.gov](http://www.calpers.ca.gov)
- Member Self-Service – myCalPERS