

Cost-of-Living Adjustment (COLA)

Retirement Benefit Services Division

Cost-of-Living Adjustment

- Retirement law provides for the payment of an annual COLA to help maintain purchasing power
- Dependent on 3 factors:
 - Consumer Price Index for All Urban Consumers
 - Employer contracted COLA provision
 - The year of retirement
- COLA Provisions: 2%, 3%, 4%, 5%
 - 95.9% of retirees have a 2% COLA provision
- A retiree becomes eligible for COLA in the second calendar year of retirement
- Adjustments on May 1st dated retirement check

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 1st retirement check each year.

Cost- of- Living Adjustment

2% COLA State & Schools	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2026
1965-1986*	2.63%
1987*	2.12%
1988 – 2024	2.00%
2025	Not Eligible

2% COLA Contracting Agencies	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2026
1965-1989*	2.63%
1990-2024	2.00%
2025	Not eligible

801K retirees of the total 835K receive a contracted 2% COLA benefit (95.9% of population)

*These retirement years include PPPA adjustments

Communication & Resources

- PERSpective Article
- Updates to www.calpers.ca.gov
- Member Self-Service – myCalPERS