Service Retirement
Frequently Asked Questions

CalPERS

As an employer, what information should we provide our members as they plan for retirement?	Members should take advantage of our free, virtual member events and classes to learn about their benefits and plan for retirement. More information is available online within the CalPERS Member Education web page. In addition, employers should encourage employees to disclose their intent to retire to ensure payroll and appointment information is reported timely to CalPERS.
What is the earliest age a member can retire?	For most members, the earliest retirement age is 50. For members hired on or after January 1, 2013 (PEPRA), the earliest retirement age is 52. State 2nd tier members may retire once they reach age 55. For members who have mixed membership (Classic & PEPRA), the earliest age they can retire is 50. However, the PEPRA formula will be reduced. For State members with both State 1st and 2nd tier service, the earliest age to retire may be age 50, however State 2nd tier service may not be included in the retirement calculation.
Where can a member find what retirement formula(s) they are contracted for?	Retirement formulas are provided within a member's myCalPERS account. If they worked for more than one employer, they may go to their Retirement Summary page and view each formula for which they have posted service. Formulas may also be found within a member's Annual Member Statement (also located within their myCalPERS account).
How is a member's service with a reciprocal retirement system used to qualify for retirement?	Service with a reciprocal retirement system, CalSTRS, JRS, JRSII, or LRS can be used toward qualifying for CalPERS retirement. However, each retirement system will calculate retirement benefits separately based on service earned under their system as well as their pension laws. For information on reciprocity and reciprocal retirement systems, refer to publication When You Change Retirement Systems (PUB 16).
How does reciprocal final compensation exchange affect a member's retirement benefit?	CalPERS will use the highest average annual compensation during any 12- or 36-month period of employment as a member of either system if they establish reciprocity and retire concurrently on the same day. If the employee was last employed with a CalPERS-covered employer and believes their salaries with a previous reciprocal system may be higher, the employee should notify CalPERS when submitting their retirement application.
Can a member's retirement date be on the last day that they worked or equal to their separation date?	A member's retirement date must be on or after the day after their last day worked or compensated by their employer. A member's separation date should always be the day after the last day worked. For example, if a member's last day compensated was June 30th, the employer would separate the member effective July 1st. The earliest date the member may retire is July 1st.

What is the difference between retiring on December 31st versus January 1st?	A member who retires on December 31st may receive their COLA one year earlier than someone who retires on January 1st of the following year. **Example**: A member retiring on 12/31/2027 is eligible for a COLA in May of 2029, whereas a retirement date of 01/01/2028 makes them eligible for a COLA in May of 2030. Members should refer to the CalPERS Cost of Living webpage for more information regarding how COLAs are calculated and administered.
What is an "unmodified allowance" and how is it calculated?	An unmodified allowance is the highest possible monthly benefit a member may receive after retirement from CalPERS. It is based on their benefit formula, their age at the time of retirement, and their highest final compensation. To view an estimated service retirement calculation, a member can log into their myCalPERS account, create an estimate, and see how their unmodified allowance is calculated based on their benefit formula, final average compensation, and posted service credit.
What is survivor continuance?	Survivor continuance is an employer contracted benefit that pays an eligible survivor 25% or 50% of their unmodified allowance. To receive this benefit, the member must have an eligible survivor at time of retirement, and the survivor must remain eligible until the death of the retired member. A survivor is defined by law as: • A spouse or registered domestic partner who was married or registered to a member for at least one year before the service retirement date and continuously until the member's death. For disability or industrial disability retirement, they need to be married as of the retirement date and remain married until the member's death. • If no eligible spouse or domestic partner, a natural or adopted unmarried child under age 18 may qualify. The benefit would be paid until they marry or turn 18. An unmarried child who was disabled prior to age 18 and whose disability continues without interruption until the disability ends or until marriage. • Qualifying financially dependent parents, if none of the above.
What is the difference between survivor continuance and electing a retirement option with a named beneficiary?	Survivor continuance is designated by law. As an employer contracted benefit, it is paid to an eligible survivor without reducing a member's full unmodified retirement allowance. When leaving a monthly lifetime allowance to one or more beneficiaries, a member's retirement benefit will be reduced based upon actuarial factors that are mostly affected by the age of the beneficiary or beneficiaries. **Note:** A qualified survivor may receive both survivor continuance as well as a lifetime beneficiary allowance.
Why would the final compensation value change between an estimate and a service retirement calculation?	Final compensation is based on the full-time monthly rate of pay and compliant special compensation reported by an employer. At retirement, CalPERS will review all compensation for compliance. This may cause an adjustment to the final compensation value if compensation is denied. Final compensation may also be adjusted due to a pay rate change or special compensation adjustments reported by an employer after an estimate is distributed.

Why would the estimate benefit amount be different than the amount calculated at retirement?	A retirement estimate is a projection of potential future benefits. The estimate may include projected pay rates, projected service credit, and anticipated unused sick leave provided by the member. At retirement, the system calculates benefits based on compensation posted to the system. It does not include projected compensation or service. If an employer delays reporting a separation date, unused sick leave may be excluded from the benefit calculation. When additional payroll, service, or sick leave is posted after a retirement date, the member's benefit will be reviewed for a post-retirement adjustment and processed within 120 days. Members will receive a post-retirement adjustment letter that explains changes to their retirement calculation and paid benefit.
What is the Social Security reduction?	The Social Security reduction applies if a member participates in Social Security as well as CalPERS. Members who contribution to Social Security do not pay PERS contributions on their first $133.33 of earnings (adjusted if making less than $400.00 per month). Therefore, at retirement, the final compensation used as part of their benefit calculation will be reduced by $133.33.
When should a member expect to receive their first retirement check?	In most cases, a member should receive their first warrant within 45 days of their retirement date or application received date, whichever is more current. For example, if their retirement date is September 4th, their first check should be paid in early October.
How does unused sick leave/educational leave affect a member's retirement benefit?	CalPERS may allow a member to convert their unused sick leave and/or educational leave hours to service credit when retiring from PERS membership if their employer contracts for the benefit with CalPERS. A member must retire within 120 days from their last day of employment for this benefit to apply. Eight hours of sick leave or educational leave equals one day of service, or 0.004 years of service credit. More information regarding sick leave or educational leave can be found within the CalPERS Planning Your Service Retirement publication (PUB 1).
When can a member make changes to their retirement application?	A member can modify their retirement date and/or benefit option within 30 days after the issuance of their first retirement warrant.
Can a member change their option or beneficiary after retirement?	Members can only change their life option or beneficiary more than 30 days after retirement if they have a qualifying life event such as marriage, registration of domestic partnership, death of a beneficiary, or dissolution of marriage or domestic partnership. They can do this online through their myCalPERS account. Additionally, if the member selects 100% Beneficiary Option 2 with Benefit Allowance Increase or 50% Beneficiary Option 3 with Benefit Allowance Increase at retirement, they can increase their benefit to the unmodified allowance should their life option beneficiary predecease them, or they have another applicable qualifying life event. For more information, review the Changing Your Beneficiary or Monthly Benefit After Retirement publication (Pub 98).