


Circular Letter

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To: MEMBERS, BOARD OF ADMINISTRATION,
EMPLOYEE/EMPLOYER ORGANIZATIONS,
MANAGEMENT, STAFF

Subject: 1998 PPPA FACTORS

Our actuarial staff have developed the Purchasing Power Protection Account (PPPA) factors for 1998. Increases based on these factors will be included as part of the monthly retirement warrants to those retirees and beneficiaries who are entitled to receive the PPPA benefits.

The PPPA payments are designed to restore up to a maximum of 75% of the original purchasing power of retirement allowances and are dependent on the availability of funds. The percentage adjustments for 1998 are based on the United States City Average Consumer Price Index. The table shown below provides the factors for the three largest employer groups: the State, Schools and Public Agencies providing 2% of cost-of-living adjustments.

<u>Year of Retirement</u>	<u>State %</u>		<u>Schools %</u>		<u>P.A. w/ 2% COLA</u>	
	<u>1997</u>	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>	<u>1998</u>
1965 or before	44.5	45.1	53.4	54.0	106.0	106.6
1966	48.8	49.4	56.9	57.6	104.4	104.9
1967	50.9	51.5	57.6	58.2	102.7	103.3
1968	50.9	51.5	57.2	57.9	98.4	98.9
1969	50.6	51.2	57.2	57.9	91.8	92.8
1970	49.7	50.3	55.9	56.6	84.7	85.6
1971	49.1	50.0	55.6	56.3	80.7	81.6
1972	50.0	50.6	56.6	57.2	78.6	79.0
1973	48.5	49.1	55.0	55.6	71.2	72.0
1974	46.5	47.1	52.7	53.4	57.6	58.2
1975	38.6	39.4	47.1	47.6	47.1	47.6
1976	36.4	37.1	42.0	42.6	42.0	42.6
1977	30.7	31.3	35.9	36.6	35.9	36.6
1978	24.0	24.4	28.9	29.3	28.9	29.3
1979	13.6	14.0	18.1	18.7	18.1	18.7
1980	2.0	2.5	6.1	6.5	6.1	6.5

If you have any questions regarding these factors or the PPPA program, please contact CalPERS Benefit Services Division at P.O. Box 942716, Sacramento, California 94229-2716; phone (916) 326-3848 or (800) 352-2238.

Chris Nishioka, Chief

Benefit Services Division

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