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Circular Letter

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

SUBJECT: 2010 PPPA FACTORS

Our actuarial staff has developed the Purchasing Power Protection Allowance (PPPA) factors for 2010. Increases (or decreases) 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 for those retirees with state or school service and 80% of the original purchasing power of retirement allowances for those retirees with public agency service. Eligibility for the PPPA benefit is based on the year of retirement, cost-of-living adjustments received, payment of one-time increases, also known as Ad Hoc increases, and declining purchasing power that is measured by the United States City Average Consumer Price Index (CPI-U).

Our actuarial staff has estimated deflation for calendar year 2009 in the amount of -1.03%. The projection of deflation in conjunction with the payment of cost-of-living benefits in May 2009 has resulted in a decrease in PPPA factors/percentages.

The table shown on the reverse provides the factors for the three largest employer groups: the State, Schools and a majority of Public Agencies providing 2% of cost-of-living adjustments. Remember, the Public Agency table does not represent all public agency employers that provide a 2% cost-of-living adjustment.

If you have any questions regarding these factors or the PPPA program, please contact the Benefit Services Division at P.O. Box 942716, Sacramento, California 94229-2716 or contact CalPERS at the toll free telephone number of 888 CALPERS (OR 888-225-7377).

A handwritten signature in black ink, appearing to read "Donna Ramel Lum".

DONNA RAMEL LUM
Assistant Executive Officer
Member and Benefit Services Branch

<u>Year of Retirement</u>	<u>State %</u>		<u>Schools %</u>		<u>P.A. w/ 2% COLA</u>	
	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>
1965 or before	57.563	51.515	67.038	60.944	139.521	130.548
1966	62.338	56.250	70.843	64.474	137.389	128.571
1967	64.474	58.562	71.625	65.198	135.294	126.629
1968	64.474	58.228	71.625	65.198	130.548	122.222
1969	64.114	58.228	71.233	64.835	123.464	115.054
1970	63.043	56.904	70.068	63.755	115.054	106.718
1971	62.690	56.576	69.683	63.399	109.974	102.532
1972	63.399	57.563	70.455	64.144	107.792	100.000
1973	61.987	55.925	68.919	62.690	99.501	91.847
1974	59.574	53.689	66.667	60.256	83.066	76.211
1975	51.210	45.631	60.600	54.639	71.306	64.948
1976	48.810	43.130	54.639	49.105	64.948	59.046
1977	42.586	37.363	48.221	42.857	58.103	52.381
1978	35.135	29.983	40.449	35.379	49.813	44.404
1979	23.762	19.237	28.866	23.967	37.457	32.231
1980	11.276	7.143	15.741	11.441	23.457	18.871
1981	6.990	3.022	6.990	3.022	14.123	9.890
1982	2.740	0.000	2.740	0.000	9.589	5.541
1983	1.626	0.000	1.626	0.000	8.401	4.302
1984					5.960	2.041
1985					4.439	0.503
1986					4.439	0.629
1987					2.828	0.000
1988					0.756	0.000