RPEA

APRIL 2026

CALIFORNIA'S MAGAZINE FOR RETIRED PUBLIC EMPLOYEES

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Margaret Brown
RPEA State President

OUR COMMITMENT TO YOU:

We are dedicated to being lifelong advocates for retirees, providing information that educates, informs, and empowers retirees to improve their lives.

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PRESIDENT'S MESSAGE

RPEA Is In Your Corner

Dear Members,

RPEA exists for one simple but powerful reason, to stand beside members when their retirement security or benefits are at risk. While we advocate at the State Capitol and influence CalPERS policies, some of our most meaningful work happens one-on-one, by helping individual retirees solve real problems having serious financial and health consequences.

Members like Teresita show why this personal advocacy matters. After an error during her retirement process, she faced a devastating reduction in her income. Navigating complex rules and bureaucratic systems alone can feel overwhelming, especially when the stakes involve lifelong retirement benefits. With RPEA's persistence, experience, and deep knowledge of retirement laws and procedures, she was able to correct mistakes and restore her financial stability. Stories like hers remind us that retirees often need more than general information, they need someone in their corner.

In another instance, RPEA assisted a member who had been waiting far too long for a premium reimbursement from CalPERS' Long Term Care program's third-party administrator. After months of frustration and unanswered questions, RPEA intervened, helping our member navigate the process and finally receive the reimbursement owed.

RPEA is also helping members understand the historic elimination of the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). These complicated federal changes created new opportunities for many public retirees and their spouses to receive Social Security benefits. RPEA provides guidance on eligibility, filing requirements, and next steps so members can avoid delays, errors, and missed income.

Additionally, many retirees return to public service as Retired Annuitants. The rules governing post-retirement employment, including work-hour limits, required breaks in service, and compensation restrictions can be confusing and, if misunderstood, may jeopardize retirement benefits. RPEA helps members understand these requirements so they can work confidently while protecting their pensions.

RPEA is not just an advocacy organization, we are a trusted partner when retirees face complex systems and uncertain outcomes. When problems arise, members know they are not alone. Because when retirement security is at risk, personal advocacy makes all the difference.

In Solidarity,

Margaret Brown
State President

HOW RPEA ADVOCACY RIGHTED A WRONG AND CHANGED A LIFE

by Dev Berger and Margaret Brown

What happens when a trusted co-worker makes a simple mistake on your retirement application… and everything changes?

For Teresita Gentry, the consequences were devastating.

Her story began in 2006, when at age 52, she made the extraordinary decision to become a Correctional Peace Officer at the California Institution for Women (CIW), one of the state's largest women's prisons. The job demands physical strength, emotional resilience, and the ability to perform under constant pressure.

Although Teresita did not fit the typical image of a correctional officer, she proved to be both mentally tough and physically capable. She successfully completed the required training and served with dedication for 15 years.

Correctional officers will tell you the job is a challenging, high-stress career requiring intense mental fortitude. Working in women's prisons present specific challenges, including navigating emotional environments and managing unique behavioral issues. Add a staffing shortage that contributes to burnout, and complaints by officers that management does not always support them, and you have a tough job to tackle.

After 15 years on the job, at age 67, Teresita made the decision to retire. Like most of us, Teresita didn't expect the retirement process to be difficult. But because of her limited computer skills, Teresita encountered difficulty signing up for a myCALPERS account online.

When a work colleague offered to help Teresita apply for retirement, she agreed and even allowed the colleague to create a myCALPERS ID and password in order to submit the application online.

At first, Teresita was not going to name a beneficiary but the co-worker explained that if Teresita passed away before receiving all monies contributed to CalPERS, the remaining balance would go to the State. If Teresita named a beneficiary, any money left was paid to the beneficiary as a lump sum.

Teresita wanted to name a relative that resided in the Philippines. The colleague told Teresita that the relative could not be a beneficiary, because of living in the Philippines and lacking a Social Security number. The co-worker suggested if there was any money left, name her as the beneficiary and Teresita agreed. Her work colleague selected the retirement payment option and completed the balance of the application. "I filed for my retirement on January 6, 2022," Teresita said. "I received a

(Continued on next page)

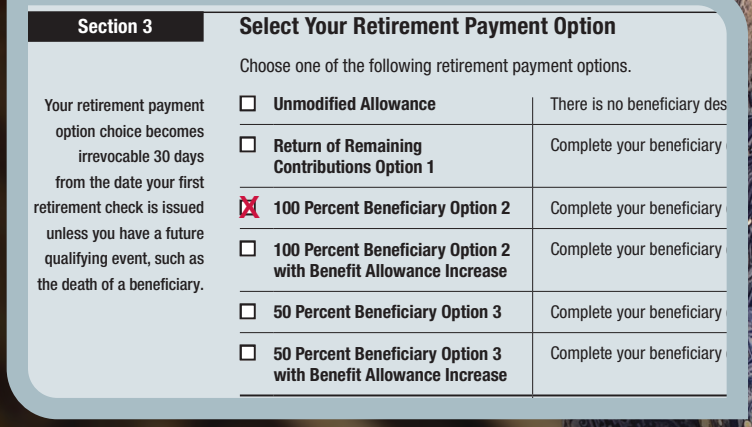
check in February, but I thought it was backpay from the State." The check remained sealed for two weeks and when she finally opened it, Teresita was stunned to see it was her pension check.

The size of the check was bewilderingly small. "I called CalPERS about the problem and asked why was my check so small?" Teresita said. "I know it was my mistake not opening the mail immediately and I felt embarrassed about that. But putting that aside, I couldn't understand what had happened with my check."

A visit to the CalPERS regional office with her work colleague did not get the results Teresita expected. As it turned out, the wrong option was selected. It should have been Option 1 but her colleague had selected Option 2, which left 100% of Teresita's pension to the co-worker. Option 2 reduced her pension by 25%. The regional office told Teresita she couldn't change her beneficiary option, because she was two days over the 30-day limit for making changes. "I was so depressed that I didn't talk to people. I felt embarrassed, stupid and dumb. I cried right there in the office. How could I have done this to myself?" Teresita shared.

A year passed before Teresita decided to take legal action. "I found an attorney and I signed over my power of attorney to him." The attorney wrote to CalPERS and after several months, CalPERS finally responded. "It said I could not do anything," Teresita said. Meanwhile the attorney asked for five thousand dollars more to continue with the case. Teresita balked. "When I asked if there was a guarantee this would help me improve things, I was told 'no.' So I stopped with the attorney."

As it turned out, the wrong option was selected. It should have been Option 1 but her colleague had selected Option 2, which left 100% of Teresita's pension to the co-worker.



Section 3	Select Your Retirement Payment Option	
	Choose one of the following retirement payment options.	
Your retirement payment option choice becomes irrevocable 30 days from the date your first retirement check is issued unless you have a future qualifying event, such as the death of a beneficiary.	☐ Unmodified Allowance	There is no beneficiary des
	☐ Return of Remaining Contributions Option 1	Complete your beneficiary
	☒ 100 Percent Beneficiary Option 2	Complete your beneficiary
	☐ 100 Percent Beneficiary Option 2 with Benefit Allowance Increase	Complete your beneficiary
	☐ 50 Percent Beneficiary Option 3	Complete your beneficiary
	☐ 50 Percent Beneficiary Option 3 with Benefit Allowance Increase	Complete your beneficiary

Flash forward to 2024. Teresita and her friend Jamie were using the fitness center at the Janet Goeske Center in Riverside. This community gem serves as a vibrant non-profit hub for seniors aged 50 and older. It hosts over 200 weekly activities—including chair volleyball, yoga, and painting—along with on-site services like free tax preparation, legal help, and the fitness center. On this particular day, Jamie noticed RPEA's information table at the Medicare Expo taking place at the Center.

Jamie approached the RPEA information table where she met RPEA President Margaret Brown. She explained that Teresita's pension had been significantly reduced and that the situation appeared unfair and impossible to correct. After hearing the details, Margaret determined that RPEA needed to step in and advocate on Teresita's behalf to help resolve a serious retirement crisis.

Margaret explains what happened next.

"I talked to Teresita and made arrangements to meet at the CalPERS San Bernardino regional office. Once there, a staff person listened to Teresita's problems filling out the application, and that the co-worker put her name down as beneficiary and created the password to access Teresita's CalPERS online application.

"The CalPERS staffer had Teresita change her password ending the co-worker's access to the online myCalPERS system," Margaret said. "That same day, Teresita filed an appeal with CalPERS. We wrote a letter explaining what happened and Teresita signed the appeal. Within a few months Teresita received a letter stating that CalPERS denied the appeal."

The denial did nothing to deter RPEA from seeking a solution. Margaret checked with a lawyer about filing an appeal regarding the CalPERS decision. "The lawyer said winning these appeals was extremely rare, because that ironclad 30-day rule for changing the beneficiary option was the downfall of many appeals."

Still undeterred, in 2025, Margaret assisted Teresita in filing an appeal of CalPERS' denial with the California Office of Administrative Hearings. With Teresita's Power of Attorney, Margaret shared information about the appeal with CalPERS staff, explaining that Teresita had been accidentally enrolled in a retirement option she did not knowingly select.

Margaret assured CalPERS that the co-worker was never approved to receive any part of Teresita's pension. A serious mistake was made because Teresita did not use a computer or approve the selection of Option 2. This had all been done by the colleague. With RPEA firmly in her corner, Teresita waited to see how the court appeal would pan out.

In the meantime, CalPERS Legal contacted the co-worker who filled out Teresita's retirement application to discern the facts of the case. The co-worker told CalPERS that mistakes with the application were not Teresita's fault. The co-worker admitted to selecting the wrong option and she was never supposed to receive 100% of Teresita's pension.

As the hearing date approached, Margaret asked the courts for a continuance because her availability had changed. Not long afterwards, CalPERS Legal contacted Margaret and stated there was no opposition to a continuance and that CalPERS was prepared to make a settlement offer to Teresita.

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RPEA'S SECOND ANNUAL CUTEST PET PHOTO CONTEST!

by Dev Berger | Managing Editor

Is your cat, a total menace to society? Does your dog consider "come here" a suggestion rather than a command? Is your adorable other a complete wacko? Well, it's time to stop apologizing for your furry roommate's chaotic behavior and start showing it off!

Welcome to RPEA's Second Cutest Pet Photo Contest where we celebrate the loveable, the goofy, and the downright ridiculous pets we adore that make our lives absolutely wonderful. Bottom line, we want you to have a chance to show off your fur baby that completes your lives. So snap a photo and let the games begin!

THERE ARE THREE CATEGORIES:

TOP DOG

CUTEST CAT

ADORABLE OTHER

PRIZES:

1st place winner in each category receives:

- Spa Day for your Pet
- A $50 gift certificate
- Social Media Engagement
- Recognition on RPEA's website
- Email Announcement
- Magazine Cover Print of your Pet

Submit your cutest pet photo in the dog, cat, or other category. You may only enter one pet photo per category and yes, you can enter multiple categories. Enter by Friday, May 15, 2026 by 4:00 PM.

WAYS TO ENTER

- Scan the QR code with your smartphone to enter.
- Go to RPEA's website (WWW.RPEA.COM) and click on the Pet Contest tab and follow the instructions.
- Call RPEA Headquarters at (800) 443-7732 for an entry form.

WHAT YOU NEED TO PROVIDE:

Enter your best pet photo for the category(s) you are entering and include your pet's name and age (estimate it if you don't know it). Provide your name, phone number, address, and home e-mail - if you have one.

RPEA's judging committee will select the finalists in each of the three categories. Finalists will appear in RPEA's June Magazine. Only RPEA members may enter the contest and vote on the finalists. Winners will be notified in July 2026 and their photos will be published in the August 2026 RPEA Magazine.

So don't be shy. This is about having fun and putting the spotlight on your fantastic pet! Send RPEA your pet's photo and if you need a paper entry form, please call RPEA at 1-800-443-7732.

Fiduciary Grown-Ups

by Michael Flaherman | Executive Director, Fiduciary Grown-Ups

RPEA will soon launch what we believe will be an important new initiative focused on a simple question: what are public pension funds actually paying for private equity?

Private equity now sits at the center of many institutional portfolios. It is also one of the hardest parts of the system to see clearly. A great deal of money flows through these structures, and not all of it shows up in places investors would naturally look.

One issue, in particular, keeps surfacing. Private equity firms control portfolio companies that their investors ultimately own. Because of that control, PE firms can arrange for those companies to make payments back to them. These arrangements are often disclosed vaguely, without the detail investors need to determine how much is being paid, for what purpose, and on what basis.

At the same time, institutional investors themselves have acknowledged that the current system of fee disclosure is largely broken.

We think that combination — a lot of money, limited visibility, and acknowledged disclosure failure—is worth more than a passing look.

So rather than writing a report and moving on, in the coming months, we will launch a sustained effort to examine these issues clearly and persistently. The goal is not to make accusations or to win an argument on ideology. It is to make it easier to ask straightforward questions and get straightforward answers.

We also plan to approach this a little differently. Private equity can be complex, but understanding it should not require a graduate seminar. We intend to explain what we are seeing in ways that are accessible, direct and, when possible, even a little entertaining.

Because if the public is one of the largest investors in private equity, it should at least be able to read the bill.

Watch this space.

HEALTH BENEFITS DIRECTOR REPORT

SUMMARY INFORMATION ON CALPERS ENROLLMENT HEALTH PLANS DATA AND AN LTC UPDATE

J.J. Jelincic | Director of Health Benefits

For most members, the change in the PPO administrator for Gold and Platinum to BlueCross from Anthem, and the change in Pharmacy Benefits Manager from Optum RX to CVS Caremark (Silverscript for Medicare) was a non-event. For those having problems, the only thing I can say is, be glad the new contracts are for five years. If you are still having problems don't be afraid to push back.

At the March Pension and Health Benefits Committee, the CalPERS staff reported on the movement of members among plans. As you can see from the tables below from CalPERS, most of the changes were in the basic plans. As for Medicare, we seniors tend to be set in our ways, which is evidenced by the smaller percent changes you see in Figure 1 vs. Figures 5 & 6 where you can see the highest and the lowest net gains.

Figure 1: Number of members who changed health plans during Open Enrollment.

	Basic	Medicare	Total
State	33,960 5.0%	2,184 0.9%	36,144 3.9%
Public Agency	25,971 4.9%	1,651 1.3%	27,622 4.2%
Total	59,931 4.9%	3,835 1.1%	**63,776** **4.1%**

Figure 5: Medicare plans that experienced the highest net gain during Open Enrollment.

	Plan Name	Net Gain	Where members transferred from			
1	PERS Gold Medicare Supplement	+398 6.5% increase	PERS Platinum Medicare Supplement 79.4%	United Healthcare Medicare Advantage PRO 6.3%	Blue Shield Medicare Advantage PRO 6.2%	All Other Plans 8.1%
2	Kaiser Permanente Senior Advantage Summit	+351 3.0% increase	Kaiser Permanente Senior Advantage 69.8%	PERS Platinum Medicate Supplement 14.6%	Blue Shield Medicate Advantage PRO 5.1%	All Other Plans 10,5%
3	Blue Shield Medicate Advantage PRO	+192 1.6% increase	PERS Platinum Medicare Supplement 39.9%	United Healthcare Medicare Advantage PRO 29.7%	Kaiser Permanente Senior Advantage 8.0%	All Other Plans 22.4%

Figure 6: Medicare plans that experienced the highest net loss during Open Enrollment.

	Plan Name	Net Loss	Where members transferred to			
1	Kaiser Permanente Senior Advantage	- 487 0.4% decrease	Kaiser Permanente Senior Advantage Summit 52.4%	PERS Platinum Medicare Supplement 18.6%	UnitedHealthcare Medicare Advantage PPO 12.2%	All Other Plans 16.8%
2	PERS Platinum Medicare Supplement	- 331 0.2% decrease	PERS Gold Medicare Supplement 44.2%	Blue Shield Medicare Advantage PPO 23.0%	UnitedHealthcare Group Medicare Advantage PPO 17.9%	All Other Plans 14.9%
3	Anthem Blue Cross Medicare Preferred	- 62 1.1% decrease	PERS Platinum Medicare Supplement 31.0%	UnitedHealthcare Medicare Advantage PPO 26.1%	Blue Shield Medicare Advantage PPO 21.7%	All Other Plans 19.2%

LONG TERM CARE (LTC)

CalPERS reached out to the eight insurance companies currently offering LTC to see if they might offer a plan with discounted premiums to CalPERS members. Two companies responded. Discussions are continuing with the hopes that some announcement might happen in May. The policies would be underwritten so not all members would be eligible. CalPERS would have no financial role in the coverage. Rates and marketing material would be subject to approval by the Department of Insurance. Stay tuned.

STAYING HEALTHY

Infectious respiratory diseases are declining in California, However, while whooping cough is decreasing, it is still elevated on the West Coast (California, Oregon, and Washington).

The attack on vaccines continues to have an impact. Measles cases continue to be growing. Through March 5, (last available data) 1,281confirmed cases were reported. This compares to 2,283 for all of 2025 and 285 cases in 2024. In California, the new cases tend to be related to international travel, pockets of local vaccination gaps (often related to private and/or charter schools) and importation from other states.

Again, getting vaccinations is a personal choice, with few mandates, but remember when you make that decision you also make that decision for those around you.

Until next issue, STAY HEALTHY.

Source for charts: CalPERS Pension & Health Benefits Committee Agenda Item 6a March 17, 2026

Strengthening Rural Health Access for Retirees:

How AB 1671 Can Improve Care in California's Rural Communities

by Pat Moran, RPEA Lobbyist
Aaron Reed and Associates

California once provided a Rural Health Care Subsidy. It did this through the state budget helping small rural hospitals and clinics cover the higher costs of delivering care in sparsely populated areas. The program provided direct financial support to facilities with low patient volumes and high numbers of Medi-Cal and uninsured patients.

However, mid-1990s state budget reforms eliminated the subsidy when policymakers felt it was no longer necessary and too costly. Many rural providers argued that the loss of a dedicated state subsidy contributed to rural hospitals and clinics ongoing financial pressures.

California's rural communities are home to thousands of retirees who have chosen quieter regions of the state for their quality of life, affordability, and close-knit communities. From the northern counties of the Sierra and far North Coast to inland agricultural regions and desert towns, many older Californians depend on small local health systems and individual providers for their care. Yet in recent years, workforce shortages, rising operating costs, and the closure or consolidation of medical facilities have made access to rural health increasingly fragile.

AB 1671 (Tangipa – R) proposes a targeted but meaningful step to address these challenges

WHAT AB 1671 PROPOSES

AB 1671 would establish a competitive grant program administered by the Office of Rural Health to support the delivery and expansion of in-person medical services in rural communities. If funding is appropriated by the Legislature, the program could distribute up to $3 million annually in grants to licensed health care providers serving rural areas.

Individual providers could apply for grants of up to $10,000 each year to help sustain or expand their medical services. The funding could be used for a variety of purposes, including:

- Workforce support
- Medical equipment purchases
- Operational costs
- Infrastructure improvements
- Other investments that increase access to care in rural areas

The program focuses on in-person services, ensuring that rural communities maintain access to physical care settings, where patients can receive examinations, treatments, and procedures that cannot be delivered remotely

RURAL RETIREES FACE UNIQUE HEALTH CARE CHALLENGES

Retirees living in rural California often encounter barriers differing significantly from those in urban areas. Distance is the most obvious challenge where many residents must travel long distances to see a specialist, obtain diagnostic services, or even access basic primary care. For older adults with mobility limitations, chronic conditions, or limited transportation options, these trips can become major obstacles to receiving routine care.

Workforce shortages compound the problem. Rural areas frequently struggle recruiting and retaining physicians, nurses, mental health professionals, dentists, and other health care providers. As a result, many rural communities operate with only a handful of providers—or sometimes none at all in certain specialties.

Retirees also tend to require more frequent medical attention than the general population. Chronic conditions such as diabetes, heart disease, arthritis, and respiratory illness are more common among older adults. Preventive care, physical therapy, vision care, mental health support, and medication management all become increasingly important as people age. When these services are not available locally, retirees may delay care, skip appointments, or experience worsening health outcomes.

WHY THIS MATTERS FOR RETIREES

Although the grant amounts may appear modest at first glance, small investments can have a substantial impact in rural health systems where resources are limited, and practices operate on thin margins.

> *Retirees living in rural California encounter barriers differing significantly from those in urban areas*

SUPPORTING LOCAL PROVIDERS

For rural clinics and independent providers, even modest financial support can help stabilize operations. A $10,000 grant might allow a small practice to purchase diagnostic equipment, upgrade facilities, or offset rising operating costs. These improvements help providers remain in rural communities rather than relocating to larger markets.

For retirees, the benefit is straightforward: maintaining a local provider means maintaining access to care without long travel times.

IMPROVING PROVIDER RECRUITMENT AND RETENTION

Rural communities across California have long struggled to attract new health professionals. Grants that help cover startup costs or improve clinic infrastructure can make rural practice more feasible for providers considering relocation.

When new providers enter rural communities—or when existing providers can stay—retirees gain greater continuity of care. Long-term patient-provider relationships are especially important for older adults managing chronic conditions or complex medication regimens.

(Continued on next page)

EXPANDING SPECIALIZED SERVICES

Retirees frequently require services beyond basic primary care. Physical therapy, vision care, mental health counseling, dental care, and medication management all play vital roles in maintaining health and independence.

The broad eligibility of the program—covering a range of licensed providers such as physicians, dentists, pharmacists, psychologists, and therapists—means the grants could support a wide spectrum of services that retirees rely upon.

STRENGTHENING COMMUNITY HEALTH INFRASTRUCTURE

Health care access is closely tied to community vitality. When rural clinics close, communities often experience population decline, reduced economic activity, and lower quality of life. Retirees who moved to rural areas for affordability and lifestyle reasons may find themselves forced to relocate if medical services disappear.

By helping sustain local providers, AB 1671 contributes to the long-term stability of rural health infrastructure. This benefits retirees not only as patients but also as community members who value the ability to age in place.

COMPLEMENTING OTHER HEALTH ACCESS STRATEGIES

While telehealth has expanded access to care in many settings, it cannot replace in-person medical services for many treatments and diagnostic procedures. AB 1671 recognizes this by focusing specifically on strengthening in-person care capacity in rural communities. In doing so, it complements broader health system innovations while preserving the physical care networks that retirees depend upon.

A STEP TOWARD RURAL HEALTH EQUITY

California has made significant investments in expanding health coverage and improving health outcomes statewide. Yet rural communities often remain underserved despite these efforts. Addressing geographic disparities in health care access is essential for ensuring that retirees in every region of the state receive the care they need.

AB 1671 represents a practical, targeted policy approach. By providing modest but meaningful support to rural providers, the program seeks to maintain local access to care, strengthen the rural health workforce, and improve outcomes for residents who rely on nearby services.

In the years ahead, policies like AB 1671 may play an increasingly important role in sustaining rural health systems. For the growing population of retirees who have chosen rural California as their home, ensuring the availability of local medical services is not simply a matter of convenience—it is a matter of health, dignity, and quality of life.

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AMBA

Private Equity and its Impact on Debt and Health Care

By AL Darby | Vice President

The March CalPERS Board meeting comprised a lengthy discussion about the structure of the new Total Portfolio Approach (TPA) that was adopted to manage the $600 billion CalPERS pension system (PERF).

CalPERS' staff and management remain dedicated to Private Equity (PE) and private debt as alternatives to public equities (Stocks), where uncertainty about true asset value is much more uncertain than stocks and stock indexes. Recently, financial publications have been sounding the alarm about Private Debt (PD) and its continuing deterioration demonstrated by defaults and 'in-kind' maneuvers, that raise the principal of a loan to raise funds to make current payments.

CalPERS has allocated almost $25 billion to PD. A new PE venture by CalPERS is an Exchange Traded Fund (ETF) that will hold high-rated junk bonds. Junk bonds are now considered safer than PD. Crypto currency is also held by CalPERS in its PE portfolio, The PE allocation also includes late-stage Venture Capital (VC) projects. All of these PE holdings are far less certain in value than public equities (stocks).

A strong commitment to private equity (PE) appears to exist in CalPERS despite increasing secondary (discounted) sales of limited partnerships and greater scarcity of suitable buyouts or other acquisitions. This situation has caused PE firms to seek more diverse asset types. Health care has become one of those new asset targets and the negative effects are already showing. Many rural hospitals have closed and rural health care, in general, is suffering in many locations. This is due to PE which almost always savages the newly acquired asset by selling its assets, reducing staff, and adding loans to recover the PE's investment in the purchase of the asset, and realizing a profit in the near-term after the acquisition.

I made public comments on the subject of private debt to illuminate the concerns of the financial community around this financial instrument. Private equity, in general, is raising serious doubt in the minds of financial experts about its ability to sustain its reputation as a better producer of financial gain than stocks and alternative investments. Assets held by PE general partners are increasingly considered to be overvalued and the true value of limited partner holdings are uncertain and usually reflect the downside.

The CalPERS investment committee meeting was dominated by public comment related to divestment of Tesla and fossil fuel companies. Many participants providing public comment had signage around the auditorium depicting their position in opposition to these entities. Unfortunately, CalPERS cannot willy-nilly divest important stock holdings and maintain its obligation to pay retirement benefits. The Board (the Investment Committee is all Board members) elected to continue holding Tesla and energy stocks.

RPEA continues to question CalPERS' strong commitment to PE holdings and apparent strong interest in expanding its PE-type investments. When PE makes an investment in health care, the CalPERS' health care program suffers the same deterioration of benefit delivery and/or a higher cost related to that health care area. Between investment losses and added health care costs, CalPERS should be taking a closer look at the net result of its current PE investment commitments. The CalPERS Long Term Care program may be a casualty of PE encroachment into health care as well.

WHO PAYS FOR CALPERS PENSIONS?

How Public Employee Pensions Are Funded

Some people believe that taxpayers fund the total cost of public pensions. This isn't true.

The largest contribution comes from CalPERS' investments, with additional funding from employer and employee contributions. Some workers currently contribute up to 17% of their paychecks to help fund their own pensions.

The CalPERS Pension Buck illustrates the sources of income that fund public employee pensions.

Based on a 20-year average ending June 30, 2025, for every dollar CalPERS pays in pensions:

- 55 cents from investment earnings
- 34 cents from employer contributions
- 11 cents from employee contributions

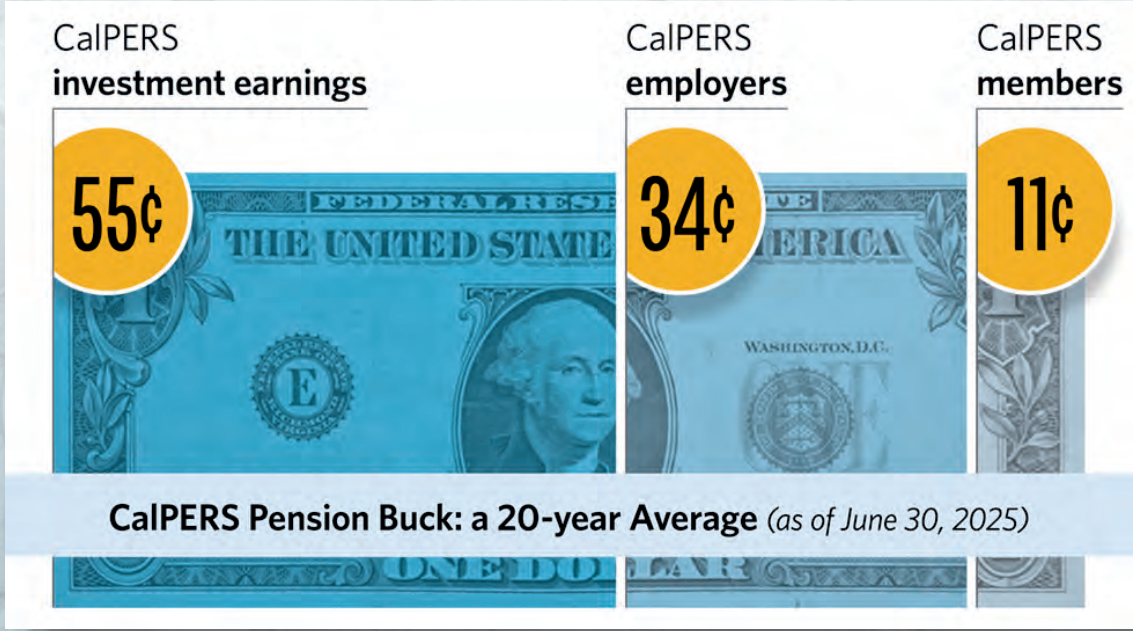
In other words, 66 cents out of every public employee pension dollar is funded by CalPERS' own investment earnings and member contributions. In the fiscal year ended June 2025, CalPERS paid out more than $34 billion in pension benefits.

PENSION PAYMENTS CONTRIBUTE TO LOCAL ECONOMIES

As CalPERS retirees spent their monthly pension benefit payments in FY 2022-23, they supported California's economy, generating $30.2 billion in economic activity, which:

- Supported 139,188 jobs
- Generated $1.4 billion in tax revenue for local industries
- Supported local community growth

Source: Economic Impacts of CalPERS Pensions in California, FY 2024- 2025



A Small Raise in a Time of Rising Costs

By Margaret Brown | President

Every year, CalPERS reviews inflation to determine whether retirees will receive a Cost-of-Living-Adjustment, or COLA. This annual decision may appear routine on a board agenda, but for hundreds of thousands of retired public employees, it directly affects their ability to keep up with rising prices.

For 2025, the Consumer Price Index for Urban Consumers (CPI-U) inflation measurement came in at 2.63 percent. Under state retirement law, CalPERS retirees receive a COLA each May based on the lower of two figures, the inflation rate or the COLA percentage negotiated by their employer during their working years.

This year, that means most retirees will see only a 2 percent increase in their pension checks beginning May 1, 2026. That is because nearly 96 percent of CalPERS retirees have a 2 percent COLA cap in their retirement contracts. Even though inflation was higher, their adjustment cannot exceed that limit.

A smaller group of retirees, those whose employers negotiated stronger retirement provisions, will receive a 3, 4, or even 5 percent COLA.

To help some retirees whose benefits have fallen behind rising costs over time, there is a supplemental adjustment known as the Purchasing Power Protection Allowance (PPPA). This adjustment is designed to help restore a portion of the buying power retirees have lost due to years when inflation outpaced their COLA.

For many retirees, even a small adjustment can make a real difference in managing everyday expenses and maintaining independence. The COLA is one of the key features that makes public pensions more secure than many retirement plans. RPEA remains dedicated to protecting these hard-earned benefits while working to ensure the retirement system continues to meet the needs of today's and tomorrow's retirees.

COLA and PPA increases in May 2026 for Retirees by Year of Retirement

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

* These retirement years include PPA adjustments

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

* These retirement years include PPA adjustments

3% COLA Contracting Agencies	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2026
1965-1977*	2.63%
1978-1980	3.00%
1981-2014	2.63%
2015-2022	3.00%
2023 - 2024	2.63%
2025	Not Eligible

* These retirement years include PPA adjustments

4% COLA Contracting Agencies	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2026
1965 - 1966	2.63%
1967	3.12%
1968	2.93%
1969-2018	2.63%
2019	3.50%
2020 - 2021	4.00%
2022 - 2024	2.63%
2025	Not eligible

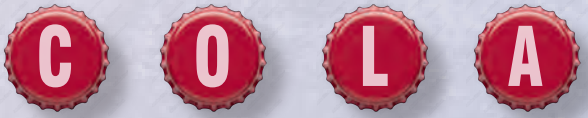
5% COLA Contracting Agencies	
Year of Retirement	Allowance Increase (COLA and PPPA) effective May 1, 2026
1965-2024	2.63%
2025	Not eligible

Budget and Fiscal Impacts

COLA is a contracted benefit by each employer and the employers fund this benefit through their contribution rate as determined by the actuaries. The annual increase in COLA benefits are projected to be $522 million over the next year, and approximately 1.5 percent of the $35.3 billion expected annual benefit payments.

Benefits and Risks

The annual COLA is a statutory requirement. As for any identified risks, there are none..



Cont'd from page 4 - Teresita's Story

The settlement offer included an Option Election Change Form which confused Margaret. Teresita and Margaret contacted CalPERS Legal about the form. "Are you letting Teresita redo her retirement back to January 3, 2022, when she first retired, and does this mean Teresita will get her full pension repaid for the last 4 years?" Margaret asked the attorney. The attorney shared that a settlement conference with an administrative law judge was needed to ensure Teresita understood the retirement options.

Teresita filled out the change form with Margaret's assistance. Teresita selected Option 1 and named a relative in the Philippines as the beneficiary. The form was notarized and mailed to CalPERS Legal.

On February 6, 2026, the settlement conference took place on Zoom and Teresita was admittedly nervous. A lot was at stake. RPEA Board member Tifany Moran helped Teresita set up her tablet to access the online Zoom meeting.

While the discussions during the settlement conference are confidential, we are able to share that Teresita thankfully signed the settlement agreement and withdrew her appeal.

With RPEA's help, the case was successfully settled and Teresita received reinstatement of her full pension resulting in nearly $48,000 for back benefits. Her ongoing monthly pension was fully restored, increasing her pension by 25%.

While Teresita takes responsibility for missteps with the pension application, she feels that CalPERS must do more to reach out to members and provide one-on-one help with retirement forms. Another issue had made it difficult for Teresita to address her retirement questions. COVID rules were still in effect making it difficult to meet with regional staff and other appropriate people to assist her.

RPEA believes that Teresita is correct. More one-on-one assistance with the retirement application is merited. RPEA also believes the retirement application needs to be improved, making retirement options clearer and simpler to understand. In addition to helping CalPERS members - it will cut down on appeals like Teresita's.

Teresita's case highlighted another issue. How reasonable is a 30-day deadline to change your beneficiary option? Extending it to 60 days would provide individuals with adequate time to make changes.

As for Teresita, RPEA's persistent advocacy created a happy ending for her. With the backpay she received, she will be building a tiny home in the Philippines. Not only is her monthly retirement check larger, but Teresita will tell you she is living her best life because RPEA never gave up on the battle to right a wrong.

Safeguard Your Pension

JOIN RPEA NOW!

Join the Retired Public Employees' Association of California (RPEA) and enjoy the peace of mind that comes from being a part of an organization dedicated to preserving your hard-earned pension, social security, healthcare, and medicare benefits. As a member of RPEA, you'll also gain access to exclusive discounts on benefit programs and supplemental group insurance plans.

Membership is just $5.00 per month - only $60 a year!

Sign Up Today to Enjoy RPEA Benefits

Scan the QR code with your Smart Phone to Join Online

or **Call RPEA Headquarters (800) 443-7732 to Join by Phone**

or **Mail application to: *RPEA Membership | 300 T Street | Sacramento, CA 95811***

First Name _____ Middle Initial _____ Last Name _____ Date of Birth ___/___/___

Street Address _____ City _____ State _____ Zip Code _____

Phone _____ Email _____

Agency You Retired From (or your Benefactor's agency) _____ Year Retired _____

I apply for membership in the Retired Public Employees' Association of California (RPEA) and authorize the payment of dues by selecting one option of the following options below:

Select One Membership Type

- ☐ Retiree (CalPERS Annuitant)
- ☐ Beneficiary of a CalPERS Retiree
- ☐ Affiliate (working for a Public Agency)
- ☐ Associate (Supports RPEA)

☐ I authorize RPEA to withhold dues in the amount of $5 per month from my monthly CalPERS retirement allowance. I understand that dues will be withheld from my retirement allowance until revoked by me in writing.

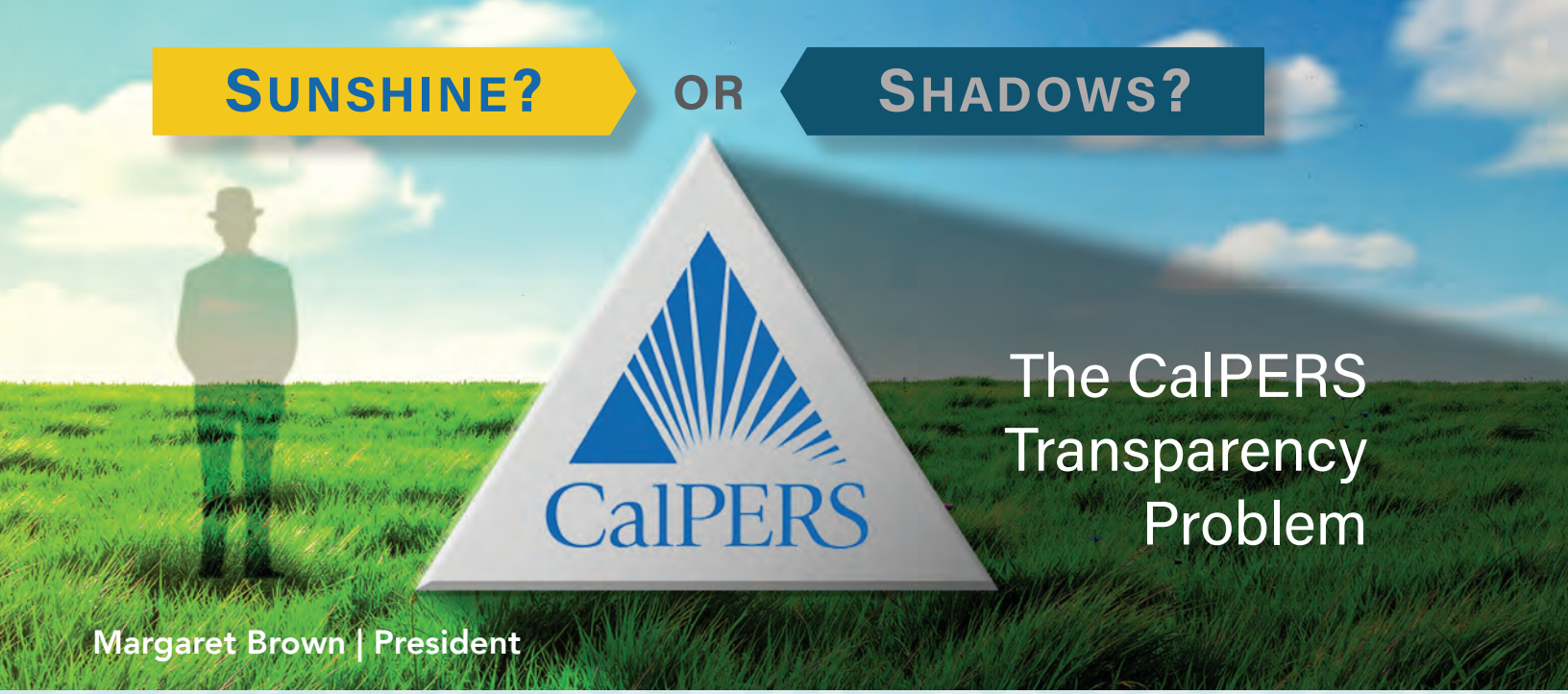
Social Security Number _____ Signature _____ Date _____

☐ CREDIT CARD AUTHORIZATION: As payment for the first year's dues, I authorize a $60.00 charge on my credit card for Retiree, Beneficiary, or RPEA Supporter membership. I authorize a $30.00 charge for Affiliate membership. I agree to be billed annually for subsequent renewals.

Credit Card Number _____ Exp. Date _____ CVV/CVC _____

Signature _____ Date _____ ☐ Do Not Auto Renew

☐ Enclosed is my check in the amount of $60 for membership in RPEA. (Membership is $30 for Affiliate members.)



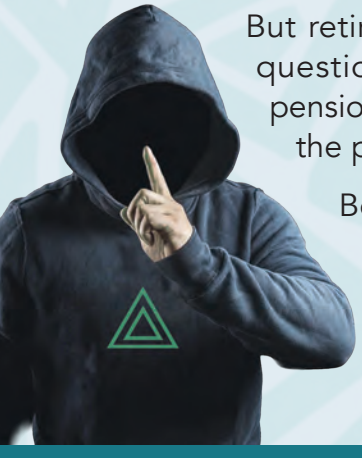
The CalPERS Transparency Problem

Margaret Brown | President

During Sunshine Week, public agencies across the country promote openness, accountability, and transparency. But at CalPERS, retirees were given a very different message, one written in thick black ink.

When a consultant requested the CalPERS CEM benchmarking reports, a document used to measure investment performance against peer pension systems, the response was not transparent. Instead, the reports arrived heavily redacted. Critical performance comparisons, cost data, and context were withheld from the very retirees whose financial futures depend on these investment decisions.

CalPERS justified the redactions by invoking several Government Code sections which included § 7922.000 — the "public interest" exemption. This powerful provision allows an agency to keep records secret, if it claims that the public interest in non-disclosure outweighs the public interest in disclosure.



But retirees are left asking a simple question: How can secrecy about pension performance possibly be in the public interest?

Benchmarking reports are not trivial documents. They help shape investment strategies involving billions of pension dollars and are used in evaluating executive performance, including decisions about bonuses. When the public cannot see how CalPERS compares to its peers, meaningful accountability becomes impossible.

Transparency is not about releasing documents filled with blacked-out pages. Transparency means allowing retirees and taxpayers to understand how their money is being managed. Instead, CalPERS' use of the "catch-all" exemption sends a troubling signal: when the information may be uncomfortable, it can simply be hidden.

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Sunshine Week should remind public agencies that trust is earned through openness — not secrecy. For retirees who spent careers in public service, the expectation is clear: pension decisions should happen in the sunlight, not behind a curtain of redactions. Because when information is hidden, trust is lost.

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2nd Annual

Cutest Pet Photo Contest

Is your pet ready for prime-time?

Do you have the pics to prove it?

Enter them in RPEA's 2nd Annual *"Cutest Pet Photo"* Contest.

See page 5 for official contest rules, prizes and other details

Cutest Cat **Top Dog** **Adorable Other**