Academic Personnel Services – Sample Retirement Calculation

Following are examples of how to use the CalPers Retirement formulas when making a personal calculation of possible retirement benefits. These sample calculations are ONLY illustrations and may not accurately reflect your personal retirement benefits.[1]

For an accurate calculation of your actual benefits in retirement, you should immediately consult with CalPers and the Benefits Office in Joyal Administration 243.

Calculating an Estimate of Possible CalPers Retirement Benefits.

Retirement Benefits are calculated by multiplying the age of the person retiring by the number of years of service by the highest 12-month salary. The age calculation formula changes with every ¼ year of age. The following calculations are based on a July 27 retirement date.

Three sample calculations are provided.

These calculations do not include unused sick leave credit which would increase the number of years of service. You can estimate this additional service using the formula of 250 days of sick leave equal one year of service.

Sample Calculation One [2]

Age: 58 years (CalPERS retirement age percentage factor: 2.188%)
Length of Service: 19 years

Highest Salary: $84,500 (during any 12 month period of CalPERS covered employment)
                                    (minus $133.33 monthly deduction for Social Security = $1,599.96
    Calculation: 19 years x .02188 (age factor percentage) = 41.572% of highest salary
    Estimated CalPERS retirement salary [3]: $82,900 x .42484 (age factor percentage) = $34,463 [4]

Sample Calculation Two [2]
Age: 62 1/2 years (CalPERS retirement age percentage factor: 2.470%)
Length of Service: 12 years

Highest Salary: $63,000 (during any 12 month period of CalPERS covered employment)
                                    (minus $133.33 monthly deduction for Social Security = $1,599.96)
    Calculation: 12 years x .0247 (age factor percentage) = 29.64% of highest salary
    Estimated CalPERS retirement salary [3]: $61,400 x .2964 (age factor percentage) = $18,199 [4]

Sample Calculation Three [2]
Age: 63 1/2 years (CalPERS retirement age percentage factor: 2.5%)
Length of Service: 27 years

Highest Salary: $87,500 (during any 12 month period of CalPERS covered employment)
                                    (minus $133.33 monthly deduction for Social Security = $1,599.96)
    Calculation: 27 years x .025 (age factor percentage) = 67.5% of highest salary
    Estimated CalPERS retirement salary [3]: $85,900 x .675 (age factor percentage) = $57,982 [4]

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[1] Additional retirement income from Social Security payments and personal investments such as 401K, 403B and 457 Deferred Compensation Plans are not included in these examples. It is possible, when all potential income from other retirement benefit sources are added to CalPERS benefits, that individuals may have income in retirement that exceeds their income while employed full-time. It is suggested that each individual considering retirement, consult with her/his advisers to determine the total financial benefits that would be available in retirement.]

[2] It should be noted that in retirement, many deductions that were previously taken from one's pay are no longer deducted. These deductions generally account for approximately 20% of one's gross salary. You should consult a financial advisor to determine how this reduction in monthly deductions as a result of retirement would affect your particular circumstances.

[3] Optional teaching for 12 units per year as a retired annuitant, assuming courses are available in the annuitant's specialty, could generate additional income based on the Class Code 2358 Lect. B pay rate.

[4] Unmodified benefit. Actual yearly total may be different if a modified retirement payment schedule is chosen to provide benefits for a spouse or children.