CalPERS contributions to rise more than 9%

By Dale Kasler, Sacramento Bee

CalPERS is about to raise pension contribution rates again, this time by more than 9 percent, a move that will cost state government and local school districts nearly $600 million.

The increases are the latest step by CalPERS to gradually shore up its finances. In early 2014, CalPERS said it would embark on a series of significant rate hikes, and on Tuesday the pension fund’s finance and administration committee recommended higher rates for the upcoming fiscal year.

While CalPERS is continuing to deal with the lingering effects of the 2008 crash in the financial markets, it pinned the latest rate hike primarily on growth in government payrolls and recent demographic assumptions that show retirees living longer.

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