

CalPERS may lower investment expectations, costing taxpayers billions

By Melody Petersen, Los Angeles Times

Experts have warned for years that the state's largest public pension plan has overestimated how much its investments will earn, leaving taxpayers to pay billions of dollars more than expected.

Now the board of the California Public Employees' Retirement System is reconsidering. As soon as today, the fund's board could approve a plan that would slowly reduce to 6.5 percent the current 7.5 percent it says it expects to earn on its investments.

For taxpayers, that seemingly small change is significant.

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