

CalPERS eyes higher contribution rates

By Dale Kasler, Sacramento Bee

CalPERS is preparing more pension rate hikes, and they could cost government agencies billions of dollars.

With consultants predicting long-term declines in investment earnings, the big California pension fund is considering substantially higher contribution rates for the state and the thousands of municipalities and school districts that rely on CalPERS to serve their retirees. Workers could get hit with higher contributions, too, although that would depend on contract negotiations.

A decision isn't likely until February, but CalPERS' deliberations are already causing anguish to employers, employees and the pension fund itself. The move will surely cause more budget strain for government agencies, particularly at the local level, even though the higher rates are likely to be phased in over a number of years.

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