

CalPERS: What's the Best Day to Retire?

There are three dates that may have a financial impact on your CalPERS retirement: the fiscal year, your birthday quarter, or the first year of your cost-of-living adjustment (COLA). You'll want to pick the one that best suits your needs.

Fiscal Year Affects Service Credit

If you start working in July, it's possible to earn one year of service credit by the end of April (10 months), as service credit is earned in tenths, not twelfths. A fiscal year is defined as July 1 through June 30.

To earn a full year of service credit during a fiscal year, you must work at least:

- 1,720 hours (hourly pay employees)
- 215 days (daily pay employees)
- 10 months full time (monthly pay employees)

Service credit for retirement purposes may differ from the service credit used by your employer for accrual of leave time. For details, log in to [myCalPERS](#) and refer to your Annual Member Statement.

Birthday Quarters: An Increase Every 3 Months

Your benefit factor increases with each quarter year of age, or every three months, based on your birthday. For example, based on a State Miscellaneous & Industrial member's 2% at 55 formula, you are eligible to retire at age 50 with a multiplier of 1.1%. That multiplier increases every three months after your birthdate; at age 63 it reaches the maximum of 2.5%. If you are under 63, a birthday quarter may help to increase your benefit payment.

The benefit factor is the retirement formula based on your membership date with each employer. View the [benefit factor chart](#) for your formula to see how the multiplier increases with each quarter year of age.

COLA: December 31 vs. January 1

The exact percent is based on the annual calculation of the Consumer Price Index (CPI) for All Urban Consumers and begins in the second calendar year of your retirement, up to a set limit based on your contract.

If you retire on December 31, 2021, your COLA would be based on the CPI for 2022, and you would receive your first COLA May 1, 2023. If you retire instead on January 1, 2022, that single day's difference can delay the first eligibility by up to one year and you wouldn't receive your first COLA until May 1, 2024. Retirees receive an annual COLA in the May 1 warrant of each year.

Visit the CalPERS [Cost of Living](#) webpage to learn more about how the COLA is calculated.

CalPERS Quick Tip: Choosing a Retirement Date

Watch our Quick Tip video for a few things to consider when choosing a retirement date. Still have questions? Send us a secure message through [myCalPERS](#). Quick Tip Video

<https://youtu.be/pnWb8Bmg6SQ>