

2025 Compensation Limits for Classic and PEPRA Members

January 2025

Circular Letter: 200-001-25

Topic: Payroll

To: All CalPERS Employers

Purpose

The purpose of this Circular Letter is to inform you of the

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Impact on Final Compensation

For classic members, final compensation is the highest average annual compensation earnable for a 12- or 6-consecutive month employment period, depending on your contract.

Classic members' retirement allowances are subject to final compensation limits under IRC section 401(a)(17). The calculation of ~~system~~

¹Pursuant to Gov. Code section 206 0, when compensation is reported to the board, the employer shall identify the pay period in which the compensation was earned regardless of when reported or paid.

Updated: January 2, 2025