

---

**MEMORANDUM**

TO: Ronda Stegmann, Executive Director

FROM: Jenny Bayne, Benefit Auditor

SUBJECT: 2021 Retiree Cost-of-Living Adjustments

DATE: January 20, 2021

---

In accordance with Sections 104.415.5 & 104.1045.2, the annual COLA increase is determined each January based on the percentage increase in the average consumer price index from the previous year. I have made the following computations for the year 2021 based on information received from the U.S. Department of Labor.

Consumer Price Index for All Urban Consumers (CPI-U)

<u>Month</u>	<u>2019</u>	<u>2020</u>
January	251.712	257.971
February	252.776	258.678
March	254.202	258.115
April	255.548	256.389
May	256.092	256.394
June	256.143	257.797
July	256.571	259.101
August	256.558	259.918
September	256.759	260.28
October	257.346	260.388
November	257.208	260.229
December	<u>256.974</u>	<u>260.474</u>
	255.657	258.811

Increase  $(258.811 - 255.657) / 255.657 = 1.234\% \times 80\% = \mathbf{0.987\%}$

The minimum COLA adjustment is 4% under the original COLA plan. The COLA rate of 0.987% will be effective for those members who have reached their original 65% cap under MSEP, or who were first hired on or after August 28<sup>th</sup>, 1997, and for all members retired under MSEP 2000/2011.