
MEMORANDUM

TO: Abby Spieler, Executive Director

FROM: Alanna MacCleoud, Benefit Auditor

SUBJECT: 2025 Retiree Cost-of-Living Adjustments (COLAs)

DATE: January 15, 2025

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 2025 based on information received from the U.S. Department of Labor.

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

<u>Month</u>	<u>2023</u>	<u>2024</u>
January	299.170	308.417
February	300.840	310.326
March	301.836	312.332
April	303.363	313.548
May	304.127	314.069
June	305.109	314.175
July	305.691	314.540
August	307.026	314.796
September	307.789	315.301
October	307.671	315.664
November	307.051	315.493
December	<u>306.746</u>	<u>315.605</u>
	304.702	313.689

Increase $(313.689 - 304.702) / 304.702 = 2.949\% \times 80\% = \mathbf{2.359\%}$

The minimum COLA adjustment is 4% under the original MSEP COLA plan. The COLA rate of 2.359% will be effective for those members who have reached their original 65% cap under MSEP, or who were first hired on or after August 28th, 1997, and for all members retired under MSEP 2000/2011.