



January 13, 2026

Ms. Abby Spieler  
Executive Director  
Missouri State Employees' Retirement System  
907 Wildwood Drive  
Jefferson City, MO 65109

**Re: Retiree Cost of Living Adjustment for 2026**

Dear Abby:

Pursuant to our contract with the Missouri State Employees' Retirement System (MOSERS), this letter documents the calculation of the retiree Cost of Living Adjustment (COLA) to be granted in 2026.

In accordance with Sections 104.415.5 & 104.1045.2 of the Missouri Revised Statutes, the annual COLA increase is determined each January based on the percentage increase in the average consumer price index from the previous year, but not less than 0% and not greater than 5%.

Due to the federal government shutdown in the fall of 2025, the Bureau of Labor Statistics did not release an official U.S. Consumer Price Index (CPI) for October 2025. Sections 104.415.5 & 104.1045.2 of the Missouri Revised Statutes do not describe how to calculate the COLA if monthly CPI data is not released, therefore, an alternate method was needed. We discussed potential solutions with MOSERS staff and agreed a reasonable approach would be to determine the average consumer price index for both 2024 and 2025 using an 11-month average, excluding the October index in both 2024 and 2025.

The following computations for the COLA to be granted in 2026 are based on information received from the U.S. Department of Labor.



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

Month	<u>2024</u>	<u>2025</u>
January	308.417	317.671
February	310.326	319.082
March	312.332	319.799
April	313.548	320.795
May	314.069	321.465
June	314.175	322.561
July	314.540	323.048
August	314.796	323.976
September	315.301	324.800
October	N/A	N/A
November	315.493	324.122
December	<u>315.605</u>	<u>324.054</u>
Average	313.509	321.943

Increase  $(321.943 - 313.509) / 313.509 = 2.690\% \times 80\% = 2.152\%$   
Minimum  $(2.152\% \text{ and } 5.000\%) = 2.152\%$

The minimum COLA adjustment is 4% under the original MSEP plan. The COLA rate of 2.152% 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, 1997, and for all members retired under MSEP 2000/2011. Please review these calculations carefully and verify the results before using them to determine individual member benefit amounts.

We, Patrice A. Beckham, F.S.A., and Bryan K. Hoge, F.S.A., are consulting actuaries with Cavanaugh Macdonald Consulting, LLC. We are also members of the American Academy of Actuaries and Fellows of the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this study or to provide explanations or further details upon request.

Ms. Abby Spieler  
January 13, 2026  
Page 3



If you have questions or need additional analysis, please let us know.

Sincerely,

A handwritten signature in blue ink that reads "Patrice Beckham".

Patrice A. Beckham, FSA, FCA, EA, MAAA  
Consulting Actuary

A handwritten signature in blue ink that reads "Bryan K. Hoge".

Bryan K. Hoge, FSA, FCA, EA, MAAA  
Principal and Consulting Actuary