



**MEMORANDUM**

TO: Ronda Stegmann, Executive Director

FROM: Gary Hollis, Assistant Benefits Officer/Auditor

SUBJECT: 2019 Retiree Cost-of-Living Adjustments

DATE: January 14, 2019

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 2019 based on information received from the U.S. Department of Labor.

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

<u>Month</u>	<u>2017</u>	<u>2018</u>
January	242.839	247.867
February	243.603	248.991
March	243.801	249.554
April	244.524	250.546
May	244.733	251.588
June	244.955	251.989
July	244.786	252.006
August	245.519	252.146
September	246.819	252.439
October	246.663	252.885
November	246.669	252.038
December	<u>246.524</u>	<u>251.233</u>
	245.120	251.107

Increase  $(251.107-245.120) / 245.120 = 2.442\% \times 80\% = 1.954\%$

The minimum COLA adjustment is 4% under the original COLA plan. The COLA rate of 1.954% 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.