
MEMORANDUM

TO: Ronda Stegmann, Executive Director

FROM: Jenny Bayne, Benefit Auditor

SUBJECT: 2020 Retiree Cost-of-Living Adjustments

DATE: January 14, 2020

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 2020 based on information received from the U.S. Department of Labor.

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

<u>Month</u>	<u>2018</u>	<u>2019</u>
January	247.867	251.712
February	248.991	252.776
March	249.554	254.202
April	250.546	255.548
May	251.588	256.092
June	251.989	256.143
July	252.006	256.571
August	252.146	256.558
September	252.439	256.759
October	252.885	257.346
November	252.038	257.208
December	<u>251.233</u>	<u>256.974</u>
	251.107	255.657

Increase $(255.67-251.107)/ 251.107= 1.812\% \times 80\% = 1.450\%$

The minimum COLA adjustment is 4% under the original COLA plan. The COLA rate of 1.450% 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.