

MEMORANDUM

TO: Abby Spieler, Executive Director

FROM: Jenny Bayne, Benefit Auditor

SUBJECT: 2023 Retiree Cost-of-Living Adjustments

DATE: January 17, 2023

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 2023 based on information received from the U.S. Department of Labor.

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

<u>Month</u>	<u>2021</u>	<u>2022</u>
January	261.582	281.148
February	263.014	283.716
March	264.877	287.504
April	267.054	289.109
May	269.195	292.296
June	271.696	296.311
July	273.003	296.276
August	273.567	296.171
September	274.310	296.808
October	276.589	298.012
November	277.948	297.711
December	<u>278.802</u>	<u>296.797</u>
	270.97	292.655

Increase $(292.655 - 270.97) / 270.97 = 8.003\% \times 80\% = \mathbf{6.402\% \text{ (max COLA 5.0\%)}$

The COLA rate of 5% will be effective for all retirees of the MSEP and MSEP2000 plans. The COLA rate of 5% will be effective for all retirees of the MSEP2011 plan who are eligible, and not excluded due to COLA offset in accordance with Section 104.1091.12.