



MEMORANDUM

TO: Gary W. Findlay, Executive Director  
FROM: Gary E. Hollis, Assistant Benefits Officer-Audit  
SUBJECT: 2015 Retiree Cost-of-Living Adjustments  
DATE: January 16, 2015

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 2015 based on information received from the U.S. Department of Labor.

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

<u>Month</u>	<u>2013</u>	<u>2014</u>
January	230.280	233.916
February	232.166	234.781
March	232.773	236.293
April	232.531	237.072
May	232.945	237.900
June	233.504	238.343
July	233.596	238.250
August	233.877	237.852
September	234.149	238.031
October	233.546	237.433
November	233.069	236.151
December	<u>233.049</u>	<u>234.812</u>
	232.957	236.736

Increase                     $(236.736-232.957)/ 232.957= 1.622\% \times 80\% = 1.298\%$

The minimum COLA adjustment is 4% under the original COLA plan. The COLA rate of 1.298% 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.