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## **COST-OF-LIVING ADJUSTMENT (COLA) FOR RETIREES Boise, Idaho - December 6, 2011**

The PERSI Retirement Board today recommended a 1% cost-of-living adjustment (COLA) for PERSI retirees and beneficiaries. Statute 59-1355 provides for an adjustment based on the Consumer Price Index for Urban Workers (CPI-U) from the index month of the previous year. If there is an increase in the CPI-U, all or a portion of this increase may result in a percentage increase to a PERSI retirement benefit. The statute provides for a mandatory COLA ranging from -6% to 1% depending on the change in the CPI-U over the calculation period. A COLA of 1% is not subject to legislative review. In making the decision for the mandatory 1% COLA, the board cited as influencing factors the uncertainty in global markets and next year's presidential election. Board members expressed hope and optimism about restoring a full COLA at some time in the future.

Retirees in the first year of retirement will receive a proration of the 1% COLA based on the number of months they have been retired.

Before the COLA goes into effect on March 1, 2012, PERSI will send retirees and beneficiaries a Benefit Change Notice explaining the adjustment.

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