

1000 Mill Street
San Luis Obispo, CA 93408
(805) 781-5465 Phone
(805) 781-5697 Fax
www.SLOPensionTrust.org

San Luis Obispo County
Pension Trust
SLOCPT

Date: February 25, 2019

To: Retirees

From: Amy Burke
Deputy Executive Secretary

Annual Cost-Of-Living Adjustment (“COLA”) – 2019 – starting April 1, 2019

You may notice an increase to your monthly benefit. The San Luis Obispo County Employees Retirement Plan (the “Plan”) provides for annual COLAs for Tier 1 Retirees up to 3% and for Tier 2 and Tier 3 retirees up to 2%. The annual COLA percentage, specified in the Plan, is determined by the two-year average of the All Urban Consumers Consumer Price Index (CPIU) annual average for the Los Angeles area and the San Francisco area. The average CPIU increase from 2017 and 2018 data is 3.4%.

Therefore, the **2019 COLA** for retirees will be:

Tier	Retirement Date	COLA
1	On or Before January 1, 2019	3.00%
2 & 3	On or Before January 1, 2019	2.00%

COLA bank - The Plan allows Tier 1 Retirees to accumulate percentage credits for years where the CPI average is above the 3.0% maximum and then apply the credits to years where the average is below 3.0% – the “COLA bank”. For 2019, all Tier 1 retirees (prior to Jan. 1, 2019) will have 0.4% added to their COLA bank. This is because the 2017-2018 average CPIU was 3.4%, but the maximum Tier 1 COLA is 3.0%. If inflation is below 3.0% in a future year, this added COLA bank amount may be added to future COLAs.

The maximum COLA allowed in the Plan for Tier 2 and Tier 3 retirees is 2.0% and there is not a COLA bank feature for those tiers.

To be eligible for this year’s COLA you must have a retirement date prior to January 1, 2019.

Please contact the SLOCPT with any questions or concerns.