



## San Luis Obispo County Pension Trust

1000 Mill Street  
San Luis Obispo, CA 93408

Date: February 23, 2015

To: Retired Members of the Pension Trust

From: Carl Nelson  
Executive Secretary

### **Annual Cost-Of-Living Adjustment - 2015**

The Retirement Plan, under Article 19: Cost-Of-Living provides for annual cost-of-living adjustment for Tier 1 retirees of up to 3% per year and for Tier 2 and Tier 3 retirees up to 2% per year. The cost of living adjustment specified in the Plan is determined by the two year average of the All Urban Consumers CPI for the Los Angeles - Riverside - Orange County and the San Francisco - Oakland - San Jose areas. This average for 2013 and 2014 data for the two cities is **1.90%**.

However, the Retirement Plan allows for credits for past inflation that was above the 3.0% maximum COLA – the “COLA bank” for retirees in Tier 1. It is important to note that we have experienced several years with low inflation so this “COLA bank” for most retirees has been used up. This is actually good news because it means that more of your retirement allowance’s purchasing power has been retained in recent years.

Therefore, depending on any individual’s retirement date the actual COLA to be granted will vary. The results of this calculation for the COLA are shown below:

<u>Retirement Date</u>	<u>2015 COLA Increase Effective April 1, 2015</u>
On or before January 1, 1981	3.00%
January 2, 1981 – January 1, 1982	2.80%
January 2, 1982 – January 1, 2015	<b>1.90%</b>
After January 1, 2015	not yet eligible for COLA