



San Luis Obispo County Pension Trust

1000 Mill Street
San Luis Obispo, CA 93408

Date: February 28, 2011

To: Retired Members of the Pension Trust

From: Tony Petruzzi
Executive Secretary

Annual Cost-Of-Living Adjustment - 2011

The Retirement Plan, under Article 19: Cost-Of-Living, provides for an annual cost-of-living adjustment for retirees of up to 3% per year.

The cost of living adjustment is determined by the All Urban -Consumers CPI for the Los Angeles-Riverside-Orange County and the San Francisco-Oakland – San Jose areas. Under this calculation for the 2011 COLA the CPI increase averaged **0.6%**. However, the Retirement Plan allows for credits for past inflation that was above the 3.0% maximum COLA – the “COLA bank”. 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 our retirees’ 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>Retirees who Retired</u>	<u>2011 COLA Increase</u>
<u>Before January 1</u>	<u>Effective April 1, 2011</u>
2011	0.60%
2001	0.70%
1990	2.10%
1989	3.00%
1984	2.30%
1983	0.70%
1982	3.00%
all prior	