Cost of Living Adjustments


2013

Arkansas. Act 967, Laws of 2013 (AR H 1200), allows the board of trustees of the Arkansas Teacher Retirement System to reset the benefit base amount for compounding cost of living adjustment rates, provides that the board may reverse a compounding of the cost of living adjustment for all retirants and participants in the Teacher Deferred Retirement Option Plan who benefit from the compounding.

Louisiana. Act 297, Laws of 2013 (LA H 46), authorizes a cost-of-living adjustment for certain retirees of the State Schools Employees’ Retirement System and their beneficiaries, provides for eligibility for, funding of, and limitations on the adjustment.

Maine. Public Law 391 (ME H 1034), amends defined benefit plan provisions for members of the Participating Local District Consolidated Retirement Plan administered by the Maine Public Employees Retirement System, allows the Board of Trustees of the Maine Public Employees Retirement System to establish by rule the rate at which plan members contribute, reduces the cost-of-living adjustment cap, provides for firefighters, police officers, adjustments for participating districts not covered, reemployment, compensation and beneficiaries.

Maryland. Chapter 550, Laws of 2013 (MD S 801), clarifies the calculation of cost-of-living adjustments for certain State retirement or pension systems, clarifies the applicability of certain cost-of-living adjustments to certain State retirement or pension systems and participants in those systems, consolidates provisions relating to cost-of-living adjustments that apply to all of the cost-of-living adjustments, and a certain additional adjustment following a fiscal year in which a zero rate adjustment is applied.

New Mexico. Chapter 225, Laws of 2013 (NM S 27), amends the public employees retirement act, reduces cost-of-living adjustments for all retirees, delays cost-of-living adjustments for future retirees, suspends the cost-of-living adjustments for certain return-to-work retirees, increases the vesting period, provides for an increase in employee and employer contributions, provides that municipal employers will not pay any portion of the increase in employee contributions, limits plan enhancements, relates to collective bargaining agreements.

Oklahoma. Chapter 119, Laws of 2013 (OK S 1115), relates to the Oklahoma Law Enforcement Retirement Board, relates to the actuarial assumption of the Board, deletes requirement to include COLA assumption, modifies definitions, clarifies language concerning disability benefits, provides an effective date.

Oregon. Chapter 53, Laws of 2013 (OR S 822), modifies cost-of-living adjustments under the Public Employees Retirement System, prohibits the Public Employees Retirement Board from paying increased retirement benefits resulting from state income taxation of payments made by the board if the person receiving payments does not pay state income tax on benefits, removes limitations on prohibition relating to date of retirement, imposes prohibitions for public employers that provide retirement benefits for police officers and firefighters.

Back to top

2012

Arkansas. Chapter 171, Laws of 2012 (House Bill 2333), repeals post-retirement cost-of-living increases for Tier 2 members of the Kansas Public Employee Retirement System (those hired on or after July 1, 2009). Members will instead receive a higher multiplier, 1.85 percent instead of 1.75 percent, for all service, effective for those who retire on and after January 1, 2014. The repeal of the COLA does not affect members who retire before July 2012.

North Carolina. Senate Bill 803 (to governor June 20, 2012) clarifies that the Board of Trustees of the Local Governmental Employees’ Retirement System has full discretion over the granting of post-retirement increases as long as any changes are not inconsistent with actions of the General Assembly. The long-time policy of the State of North Carolina is to provide ad
hoc Cost of Living Adjustments (COLAs) to retirees, rather than automatic COLAs. This clarification is being sought in anticipation of forthcoming standards from the Governmental Accounting Standards Board that would potentially create unfunded long-term liabilities for local government employers based on an alternate reading of this statute that would require trustees to give automatic COLAs.

**Ohio.** Act 145, Laws of 2012 (OH S 340), relates to the police and fire pension fund, adds members of the Ohio national guard and certain military personnel to the definition of members of the fund for the duration of active duty, provides for changes to the police and fire pension fund relating to contribution rates, cost-of-living adjustments, employer and employee fund contributions, benefit eligibility, deferred retirement option plan accruals, and beneficiaries, provides for disability benefits to permanently disabled.

**Ohio.** Act 147, Laws of 2012 (OH S 342), relates to the teachers retirement system, makes changes to the state teachers retirement system relating to contribution rates, cost-of-living adjustments, fund contributions, benefit eligibility, survivor benefits, re-employment, excludes retroactive and vacation pay from compensation, suspends retirement, disability or survivor benefits for certain recipients, provides for confidentiality of certain member information, creates a health care fund, provides for reimbursement of Medicare Part B premiums.

**Oklahoma.** Chapter 109, Laws of 2012 (HB 2322), removes a statutory requirement that the Oklahoma Public Employees Retirement System (OPERS) include an estimate of the actuarial impact of potential future cost-of-living increases in its annual actuarial studies. This conforms with language enacted in Senate Bill 794 of 2011. The removal of the actuarial cost of potential COLAs has had a substantial effect in reducing the OPERS UAAL. [COLAs in Oklahoma are not automatic, but are periodically enacted.]

**South Carolina.** Act 278, Laws of 2012 (House Bill 4967), changes the COLA provision for retired members (and future retirees) of the South Carolina Retirement System from an automatic annual benefit adjustment of 1% to 1% subject to an annual cap of $500, effective July 1, 2012. The same new provision will apply to the Police Officers’ Retirement Plan, which has not had a guaranteed annual COLA in the past.

**South Dakota.** Chapter 27, Laws of 2012 (SD S 30), allows for the establishment of an alternative benefit enhancement methodology based on investment performance that mitigates risk within the South Dakota Retirement System, provides that the funding and operational provisions related to the methodology shall be submitted for legislative approval prior to implementation.

**Virginia.** Act 702 of 2012 (HB 1130/Senate Bill 498) makes various changes to Plan 1 and Plan 2 of the Virginia Retirement System as well as establishing a hybrid plan applicable to most new state and local government employees. Plan 2 affects members hired or rehired as of July 1, 2010. The following provisions address the defined benefit component of the new hybrid plan as well as the specified Plan 1 and Plan 2 members. The legislation:

- Caps cost-of-living increases at 3% for new hires, Plan 2 members and any Plan 1 member not vested as of January 1, 2013. The COLA will match the first two percentage points of an increase in the CPI-U plus half of the increase in the next two percentage points.
- Defers cost-of-living increases for any member who retires with less than 20 years of creditable service until one year after attaining unreduced retirement eligibility. Employees within five years of eligibility for an unreduced benefit as of January 1, 2013, are grandfathered.

**Wyoming.** Chapter 107, Laws of 2012 (Senate Bill 59), expresses the intent of the Legislature that the board of trustees of the Wyoming Retirement System (WRS) grant no post-retirement benefit increases until the system is fully funded with a likelihood of remaining so despite future investment fluctuations. The act instructs the Board of Trustees to educate members of WRS on the point and emphasize to them that public retirement benefits “should not be expected to provide one hundred percent (100%) of the member’s required income in retirement….”

[Under existing law, as summarized in the WRS Public Employee Pension Plan Handbook, the WRS Board may grant an annual cost of living increase up to the actual inflation rate in Wyoming, but not above 3%. The COLA must be deemed affordable by the actuaries who compare total liabilities to assets of the plan.]
Arizona. Chapter 357, Laws of 2011 (Senate Bill 1609) revises the structure of cost-of-living adjustments for members of the Elected Officials', the Public Safety Personnel’s and the Correction Officers’ retirement plans.

- The new provisions require a total return of more than 10.5% for the prior fiscal year to allow for a cost of living increase, and limit that increase to:

<table>
<thead>
<tr>
<th>Ratio of actuarial value of assets to accrued liability</th>
<th>Percentage of benefit being received on preceding June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% or more but less than 65%</td>
<td>2.0%</td>
</tr>
<tr>
<td>65% or more but less than 70%</td>
<td>2.5%</td>
</tr>
<tr>
<td>70% or more but less than 75%--</td>
<td>3.0%</td>
</tr>
<tr>
<td>75% or more but less than 80%--</td>
<td>3.5%</td>
</tr>
<tr>
<td>At least 80%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

- States that the amount available to fund the increase to be 100% of the earnings of the fund that exceed 10.5% of the total return of the fund for the fiscal year ending June 30 of the calendar year preceding the July 1 of the increase. If that 100% is insufficient to fully fund the present value of the appropriate percentage increase, the increase is limited to the percentage that can be fully funded.
- Reverts any earnings in excess of the amount necessary to fully pay that amount to the appropriate public fund. Such earnings will not be available for future benefit increases.
- Allows the Legislature to enact permanent one-time increases, from and after December 31, 2015, after an analysis of the effect of the increase on the plan by the Joint Legislative Budget Committee (JLBC).

Connecticut. Negotiations with public-sector unions, subject to ratification by the General Assembly, provide that for all state retirement plan members who retire after October 1, 2011, the minimum cost-living adjustment will be 2 percent instead of the present level of 2.5 percent. The maximum remains unchanged at 7.5 percent (August 24, 2011)

Florida. Chapter 68, Laws of 2011 (Senate Bill 2100) eliminates the cost-of-living adjustment (COLA) for service earned on or after July 1, 2011. Subject to the availability of funding and the Legislature’s enacting sufficient employer contributions specifically for the purpose of funding the reinstatement of the COLA, the new COLA formula will expire effective June 30, 2016, and the current 3% cost-of-living adjustment will be reinstated.

Hawaii. Chapter 163, Laws of 2011 (House Bill 1038) reduces the annual post-retirement benefit increase for those who become members of the Hawaii Retirement System after July 1, 2012, from 2.5% to 1.5%.

Kansas. Chapter 98, Laws of 2011 (House Bill 2194), provides options regarding eventual post-retirement cost-of-living adjustments for those who become members of the Kansas Public Employees’ Retirement System (KPERS) after the legislation goes into effect and to those presently in Tier 2, which was created in 2005.

The legislation’s effect is contingent upon each chamber’s voting on recommendations a study commission has been instructed to submit to the Legislature on January 6, 2012.

Two options regarding post-retirement increases would be available, with IRS approval, to all Tier 2 members. The default option would continue the existing employee contribution rate of 6 percent of salary and eliminate post-retirement cost-of-living benefit increases. The alternative option would also continue the 6 percent contribution rate. It would retain the post-retirement COLA, but reduce the benefit multiplier from 1.75 percent to 1.4 percent.
Maine. Chapter 380, Public Laws of 2011 (L.D. 1043, the Biennial Budget Bill for fiscal years 2012 and 2013) makes changes that affect state employees, legislators and judges. The retiree cost-of-living adjustment will be frozen for three years, and then capped at 3% in future years based on the Consumer Price Index (CPI). Retirees will receive a COLA on their first $20,000 of benefits. The cap amount will be indexed, or increased, each year by the CPI for that year. A non-cumulative, one-time COLA may be awarded if funds are available, but such payments would not become a permanent part of the retiree’s benefit.

Maryland. Chapter 397, Laws of 2011 (House Bill 72, the Budget Reconciliation and Financing Act), included extensive changes to Maryland retirement plans. The bill became law without the governor’s signature on April 8, 2011.

Under current law, all SRPS retirement benefits are adjusted automatically to account for annual inflation, but the size of the adjustments varies by plan. Retirees of the Employees’ Pension System (EPS) and Teachers’ Pension System (TPS), as well as the Law Enforcement Officers’ Pension System (LEOPS), receive automatic annual COLAs linked to inflation, subject to a 3% cap. The State Police Retirement System (SPRS) and the Correctional Officers’ Retirement System (CORS) also receive COLAs linked to inflation, but they are not subject to a cap.

The changes in House Bill 72 do not affect COLAs for individuals retired as of July 1, 2011, but do affect COLAs that current active members in EPS, TPS, LEOPS, SPRS, and CORS will receive when they retire. For service credit earned after June 30, 2011, the COLA will be linked to the performance of the SRPS investment portfolio. If the portfolio earns its actuarial target rate (7.75% for fiscal 2011), the COLA is subject to a 2.5% cap. If the portfolio does not earn the target rate, the COLA is subject to a 1% cap. For service credit earned before July 1, 2011, the COLA provisions in effect during that time still apply for each plan.

The COLA provisions do not apply to current or future retirees of the Judges’ Retirement System (JRS) or the Legislative Pension Plan (LPP) because their benefit increases are linked to the salaries of current judges and legislators, respectively, and not limited to inflation rates.

Massachusetts. Chapter 176, Acts of 2011 (Senate Bill 2065 in its final version) increases the base for post-retirement benefit increases from $12,000 to $13,000 (this is the only amount on which annual increases are calculated). The action affects all state and local government retirees and will affect future retirees.

Mississippi. Chapter 469, Laws of 2011 (Senate Bill 2439), Section 2, changes COLA provisions for people who join the retirement system on or after July 1, 2011. For people who became members of the system before July 1, 2011, the COLA is equal to the sum of 3% for each full fiscal year in retirement before the member reaches age 55, plus 3% compounded for each full fiscal year in retirement after the member reaches age 55. For those hired on or after July 1, 2011, the COLA will remain at 3% but the age at which the compounding begins will increase from age 55 to age 60.

New Jersey. Chapter 78, Laws of 2011 (Senate Bill 2937) makes numerous changes to the operations and benefit provisions of state-administered retirement plans. It terminates post-retirement cost-of-living adjustments for current and future retirees, and provides a mechanism for their potential reactivation when the retirement plans meet specified funding ratios in the future. The mechanism is described below in Section 10: Governance and Investment Policy.

Oklahoma. Chapter 199, Laws of 2011 (House Bill 2132) amends the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA), so that cost of living adjustments (COLAs) are considered fiscal retirement bills for purposes of OPLAAA procedures, thus requiring COLAs to be funded by the Legislature at the time of enactment. According to the legislative fiscal analysis of the legislation, the practical application of the concurrent funding requirement would suggest the retirement systems remove their unfunded COLA assumption. According to the legislative actuary’s calculations, removal of COLA assumptions will affect the UAAL and the funded ratios of the pension systems as follows:

- Teachers Retirement system: UAAL will decrease by approximately $2.9 billion and increase OTRS’s funded ratio from 48% to 56%;
• Public Employee Retirement System: UAAL will decrease by approximately $1.4 billion and increase the OPERS funded ratio from 66% to 77%;

Rhode Island. Chapter 408, Laws of 2011 (Senate Bill 1111) suspends cost-of-living adjustments to retirees’ benefits until the system is 80% funded, but allows for intermittent COLAs at five-year intervals before the target is reached. The target is 80% funding aggregately for the Employees’ Retirement System, the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust. The provision does not affect COLAs provided by the municipal systems within the state plan.

The new COLA provisions are that a COLA will be equal to the difference between the five-year smoothed investment return and 5.5%, not to be less than zero and not to exceed 4%. It will apply to the first $25,000 of a member’s benefit, a limit that will be indexed to inflation annually whether or not a COLA is paid. The COLA that may be paid at five-year intervals until the 80% funding target is reached will be calculated according to the formula in this paragraph.

Washington. Chapter 362, Laws of 2011 (House Bill 2021) eliminates further increases of Public Employees’ and Teachers’ Retirement Systems Plan 1 (PERS Plan 1 and TRS Plan 1) benefits through the annual increase, or “Uniform COLA” above the amount in effect on July 1, 2010, unless a retiree qualifies for the minimum benefit. It reduces the minimum employer contribution rates for the PERS Plan 1 unfunded liability from 5.75 to 3.5%, and for the TRS Plan 1 unfunded liability from 8.0 to 5.75%. The bill also increases the alternative minimum benefit to $1,500, and continues to index the alternative minimum benefit by 3% per year. [The two plans were closed to new members in 1977. Employers are responsible for amortization of the UAAL in the plans.]

2010

Colorado. Chapter 2, Laws of 2010 (SB 1), reduces PERA’s commitment to post-retirement cost of living adjustments.

• Reduces the COLA to the lesser of 2% or inflation for 2010, and requires the inflation calculation to be based on periods in 2009, resulting in a 0% COLA;
• Limits the COLA to 2% in 2011 and future years, unless PERA experiences a negative investment return, in which case the COLA will be calculated as the lesser of the inflation from the preceding 3 years or 2 percent;
• Provides for COLA adjustments to be made with the July benefit, and requires those that retire after January 1, 2011, to receive benefits for at least 12 months before receiving a COLA adjustment; and
• Sets rules for adjusting the COLA based on PERA’s actuarial funded ratio.

Suit has been filed challenging the reduction in benefits as a violation of contract.

Illinois. Public Act 96-0889 (SB 1946) affects most statewide pension plans. The bill’s provisions include the Chicago Teachers’ Pension Fund, Metropolitan Water Reclamation District, Cook County employees, Chicago municipal employees, Cook County Forest Preserve, Chicago Park District, Judges Retirement System, General Assembly Retirement System, State Employees Retirement System, Illinois Municipal Retirement Fund, Teachers Retirement System, Chicago laborers, and the State Universities Retirement System. Excluded from the bill are the Chicago Transit Authority, Chicago fire or police, downstate and suburban fire and police plans, and those covered by the sheriff’s formula in the Illinois Municipal Retirement Fund. Provisions apply to those who become members of plans on or after January 1, 2011.

Post-retirement increases will be available one year after a beneficiary begins receiving benefits or reaches the age of 67, whichever is later. The increase will be 3% or 50% of CPI, whichever is less, but not less than zero. The increases will apply only to the base annuity, and will not be compounded. Current law provides an annual 3% increase for SERS and TRS, compounded. For members of the General Assembly plan and judges, the annual post-retirement increase will be at full CPI.
Maryland. Chapters 56 and 57, Laws of 2010 (SB 317 and HB 775), require that retirement allowances for most Maryland State Retirement and Pension System (MSRPS) retirees not be subject to COLAs in fiscal 2011 if the average change in the CPI-U from 2008 to 2009 is negative. If COLAs are not applied in fiscal 2011, then fiscal 2012 retirement allowances must be reduced by the difference between fiscal 2010 allowances and the allowances that would have been paid in fiscal 2011 if COLAs had been applied. The acts do not apply to retirees of the Legislative Pension Plan or the Judges’ Retirement System, whose benefits are linked to the salaries of active legislators and judges, respectively. The Acts also require the MSRPS Board of Trustees to study options for addressing future situations in which the CPI-U is negative and report its findings and recommendations to the General Assembly.

Michigan. Act 75 of 2010 (SB 1227) provides that all newly hired school employees after July 1, 2010 will be enrolled in a hybrid defined benefit and defined contribution system. The hybrid plan eliminates cost of living adjustments to pension allowances.

Minnesota. Chapter 359, Laws of 2010 (Senate File 2918 and House File 3281), provided for post-retirement increase rate reductions or suspensions. Generally speaking, for state-administered plans, post-retirement increases are reduced from existing rates until plans attain a 90% funding ratio, based on the market value of assets as a percentage of the AAL. For example, for Minnesota State Retirement Plan general employees, legislators, constitutional officers and some others, the rate is reduced from 2.5% to 2% and for the State Patrol Plan from 2.5% to 1.5%. For Public Employee Retirement Association members other than Police & Fire, the rate is reduced from 2.5% to 1%. For the Teachers Retirement Association, the post-retirement increase is suspended for 2011 and 2012, to be followed by 2% increases until the plan is 90% funded. The bill also requires a retiree or beneficiary of any State Retirement or Teachers Retirement Association plan to have been retired at least six months before qualifying for an initial post-retirement adjustment. For further details, see the bill summary of the Legislative Commission on Pensions and Retirement.

Legal challenges have been filed.

Rhode Island. Public Law 23 of 2010 (HB 7397(the budget bill), Article 6, reduces post-retirement benefit increases for state employees, teachers, justices and judges who are ineligible for retirement as of the date of enactment. The legislation limits post-retirement cost of living adjustments for such future retirees to the first $35,000 of retirement benefits, with that base to be increased annually by the CPI-U or 3%, whichever is less.

South Dakota. Chapter 20, Laws of 2010 (SB 20), makes various cost-saving changes affecting post-retirement increases. The bill:

- Removes COLAs for retirees in the first year of retirement.
- Reduces refunds of employer contributions to people who withdraw from the system after July 1 2010. Current law provides a 75% refund to non-vested members and 100% to vested members; the percentages are reduced, respectively to 50% and 85%.
- Pins the annual improvement factor (COLA), currently 3.1%, to 2.1% for one year, and thereafter pins it to the market value funded ratio for the system.
  1. If the ratio is 100% or more, the COLA remains at 3.1%
  2. If the ratio is 90% to 99.9%, the COLA will be indexed to the CPI with a maximum of 2.8% and a minimum of 2.1%
  3. If the ratio is 80% to 89.9%, the COLA will be indexed to the CPI with a maximum of 2.4% and a minimum of 2.1%
  4. If the ratio is less than 80% the COLA will be 2.1%

According to the Pierre Capitol Journal, June 16, 2010, retirees have filed a challenge to the law on the grounds of a violation of contract.
Virginia. Chapter 737, Laws of 2010 (HB 1189/SB 232), for those hired or rehired after July 1, 2010, reduces the portion of the increase in the Consumer Price Index used for determining annual retirement allowance supplements (“COLA”) from three percent plus one-half of the next four percent to two percent plus one-half of the next eight percent.

2009

Louisiana. Act 144 of 2009 (House Bill 586) provides retirees, beneficiaries, and survivors with a benefit below $1,200 a month a minimum benefit increase with several requirements including having 30 or more years of service credit, being at least 60 years of age, and having been retired for at least 15 years. None of them is to receive an increase of more than $300 a month.

Act 270 of 2009 (House Bill 96) allows a member of any state-wide retirement system who retires after July 1, 2009, to self-fund a guaranteed 2.5% annual cost of living adjustment through an actuarial reduction of benefits. Any COLAs provided by the retirement system will be in addition to the self-funded annual 2.5%.

Act 497 of 2009 (SB 296) places limits on the granting of COLAs and changes the terminology from "cost-of-living" adjustment to "permanent benefit increase." It provides that after July 1, 2009, such increases will be limited to those who have been retired for at least one year and who are at least 60 years old (current law: 55 years old). The law adds controls to permanent benefit increases given by the State Employee Retirement System (LASERS). Under existing law, the Experience Fund, which receives revenue under certain conditions when investment return exceeds the actuarial assumption (8.25% a year) must hold funds sufficient to amortize the full cost of such an increase. Additional controls now applied to LASERS are that if the actuarial return for a year is below the assumption and the fund is below 80% funded, no increase can be granted. If the investment return is below the assumption but the fund is 80% or more funded, an increase up to CPI capped at 2% can be given. If the investment return exceeds the actuarial assumption, the cap on an increased will be 3%.

Nevada. Chapter 426, Laws of 2009 (SB 427), reduces postretirement increases for those who become members of the Public Employee Retirement System on or after 1/1/2010. Current law provides for a gradually increasing percentage in the COLA until the retiree has reached a 14th anniversary of retirement when it reaches 5% annually. This bill provides that the 12th anniversary amount of 4% annually will be in effect thereafter.

2008

Kentucky. See Kentucky under "Defined Benefit Plan Changes."

Utah. SB 19 provides for an annual cost of living adjustment determined by the consumer price index as high as 4 percent annually, instead of the 2.5 percent in existing law, for state public safety officers. The bill authorizes other employers of members of the public safety retirement system to elect to provide similar annual cost of living adjustments, for employees who retire after July 1, 2008. Provides a funding mechanism. Signed 3/17/08

Vermont. Act 116 of 2008 (HB 403) provides for cost of living adjustments equal to the full increase of decrease according to the Consumer Price Index for the preceding fiscal year, beginning in 2014 for active employees as of June 30, 2008 who retire after July 1, 2008.

2006

Minnesota. Chapter 277, Laws of 2005-2006 (SF 1057) caps future post-retirement adjustments. Under the old law, effective in 2010, post-retirement adjustments are based on two components: (1) a cost-of-living adjustment, of up to 2.5 percent per year; and (2) an investment-based adjustment, which is not capped. Under the new law, if investment earnings (combined with the cost-of-living adjustment) would cause the total increase to exceed 5 percent in any year, the adjustment will be capped at 5 percent, with excess investment earnings being retained and made available to support
adjustments in future years. An annual cap, also effective in 2010, was also placed on COLAs paid by the St. Paul Teachers' Retirement Fund.

Chapter 277 reduced the amount that deferred pensions are adjusted annually until the annuity is taken. Under the old law, when a person leaves public employment but does not yet begin to draw a pension, the amount of the deferred pension is augmented by 3 percent per year until the employee reaches age 55, and by 5 percent per year after that until the person begins to draw a pension. For people first hired after June 30, 2006, this article changes the augmentation rate to a flat 2.5 percent for each year the pension is deferred. The changes affect funds administered by the Minnesota State Retirement system, the Public Employees Retirement Association, teacher funds, and combined service annuities.

West Virginia. The Legislature appropriated $718 million to the Teachers' Retirement System in 2006 -- the scheduled $334 million for amortization of its UAAL plus an additional $385 million that would otherwise have been deposited in the state rainy day fund. -- Final Wrapup, May 2006, and Budget Digest, 2005-2006.

Wyoming. Enrolled Act No. 32 caps firefighters' annual COLA at 3 percent.

Back to top

1999

Arizona increased the limit on the annual cost of living adjustment from 3 percent to 4 percent and repealed a provision limiting the COLA to the change in CPI. The actual annual COLA is determined by applying a formula to the amount of investment return above the actuarial assumption of 8 percent. The threshold for a calculation was reduced from a 9 percent investment return to 8 percent to coincide with the actuarial investment assumption.

Arkansas set the annual COLA at 3 percent and eliminated its tie to the CPI. Act 39

Mississippi increased the COLA for retired members. H. B. 47