

# Good News!

**COLA APPROVED FOR 2023**

## **COST-OF-LIVING ADJUSTMENT TO RETIREE BENEFITS**

### **APRIL ALLOWANCE WILL REFLECT YOUR PLAN'S COST-OF-LIVING ADJUSTMENT (COLA)**

At its February 1, 2023 meeting, LACERA's Board of Retirement approved a 5.0 percent 2023 COLA increase, exceeding the maximum allowed for retirees and eligible payees for all plans. The following increase will be reflected in your April 30 benefit payment, as applicable: **+3.0 percent for Plan A retirees and eligible payees; +2.0 percent for Plans B, C, D, and PEPRAs Plans C and G retirees and eligible payees; and up to +2.0 percent for Plan E retirees and eligible payees.**

The change in the cost of living from December 2021 to December 2022, as released by the Bureau of Labor Statistics Consumer Price Index (CPI) for all urban consumers in the Los Angeles–Long Beach–Anaheim metro area, is 4.9 percent. When rounded to the nearest one-half of one percent, as prescribed by law, the adjustment results in a 5.0 percent increase.

The percentage exceeding the COLA maximum for all plans will be added to the COLA Accumulation.

### **ABOUT THE COLA ACCUMULATION**

According to the provisions of LACERA retirement plans, if the COLA percentage exceeds the maximum allowable, the excess percentage is accumulated to supplement future COLA benefits. The accumulated percentage carryover is known as the COLA Accumulation. The longer you have been retired or receiving a survivor's allowance, the more COLA carryover you may have accumulated. In years when the COLA increase does not meet the plan maximum, LACERA deducts amounts from the COLA Accumulation to fund the maximum increase allowable under each plan. ▶

## VIEW THE COLA ACCUMULATION CHART

Visit [lacera.com](http://lacera.com) > Retirees and Families > Retirement Payments > Cost of Living



The current CPI percentage increase of 4.9 percent is used to calculate this year's COLA Accumulation. Since this year's increase exceeds the 3.0 percent maximum allowed in Plan A, the remaining 1.9 percent will be added to the COLA Accumulation. For all other plans, which have a maximum COLA of 2.0 percent per year, the remaining 2.9 percent will be added to the COLA Accumulation.

## 2023 COLA: Effects on All LACERA Plans

Retirement Plan	Consumer Price Index Increase 12/2021 to 12/2022	2023 COLA Adjustment (Maximum Allowed)	Excess Added to COLA Accumulation
Plan A	4.9%	3.0%	1.9%
Plans B, C, and D, and PEPRAs Plans C and G	4.9%	2.0%	2.9%
Plan E*	4.9%	Up to 2.0%	2.9%

\*Plan E COLA increases apply only to service credit earned after June 4, 2002, and any purchased Plan E Elective COLA. Plan E members who retired after June 4, 2002, will receive up to a 2.0 percent COLA increase. The portion of the 2.0 percent COLA is based upon a ratio of the months of service earned after June 4, 2002, plus any purchased Plan E Elective COLA, divided by the total months of service.

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