

# Cost-of-Living Increases

(La. R.S. 11:542)



(21) Photo by Emilou Butler (Please see pages 100-101)

A System-generated cost-of-living adjustment (COLA) is possible when the LASERS Employee Experience Account, funded by excess revenues generated by the LASERS investments program, contains sufficient monies to fund an increase. The fund accumulates investment gains, above the assumed 7.75 percent actuarial return, after the excess returns exceed an amount based on the size of the System's assets, starting at \$100 million. When there are sufficient funds in the Experience Account, the LASERS Board of Trustees may recommend to the Legislature that a COLA be approved.

To be eligible for a System-generated COLA,

you must have reached the age of 60 as of June 30 of the year that a COLA is authorized by the legislature. In addition, you must have been retired effective June 30 of the previous year. Your beneficiary may be eligible for COLA after your death if you would have turned 60 as of June 30 of the year the COLA is authorized, and if you or your beneficiary, or both combined, have received benefits since June 30 of the previous year.

COLAs will be limited to every other year (until the System is 85 percent funded) and will be limited to the first \$60,000 of benefit (indexed to the CPI-U as of July 1, 2015) based on the following chart:

<b>System Funding</b>	<b>System earns at least 8.25%</b>	<b>System earns ARR<sup>1</sup>, but not 8.25%</b>	<b>System does not earn ARR</b>
Less than <b>55%</b>	None	None	None
At least <b>55%</b> but less than <b>65%</b>	Lesser of <b>1.5%</b> or CPI-U <sup>2</sup>	Lesser of <b>1.5%</b> or CPI-U	None
At least <b>65%</b> but less than <b>75%</b>	Lesser of <b>2%</b> or CPI-U	Lesser of <b>2%</b> or CPI-U	None
At least <b>75%</b> but less than <b>80%</b>	Lesser of <b>2.5%</b> or CPI-U	Lesser of <b>2%</b> or CPI-U	None
At least <b>80%</b>	Lesser of <b>3%</b> or CPI-U	Lesser of <b>2%</b> or CPI-U	Lesser of <b>2%</b> or CPI-U

<sup>1</sup>ARR is the Assumed Rate of Return for the System, currently 7¾% for the 12 month period ending on June 30 of the previous year.

<sup>2</sup>CPI-U is the Consumer Price Index – Urban.

It is also possible for you to self-fund an annual COLA in addition to System-generated COLAs. For more information on this type of COLA, [see the chapter on Retirement Options and the Self-Funded COLA.](#)