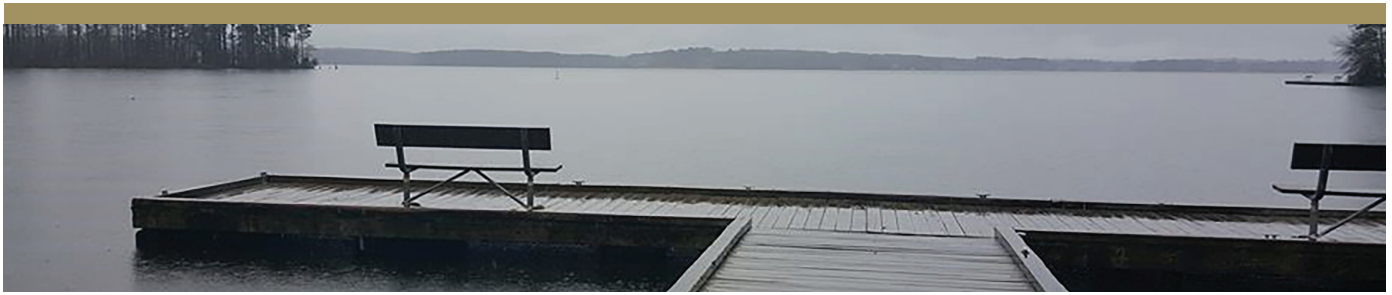


# Cost-of-Living Increases

(La. R.S. 11:542)



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

System Generated Cost of Living Adjustments (COLAs) are granted by the Legislature. They are funded through excess investment returns and paid by LASERS. These COLAs are not guaranteed and the amounts vary. When granted, they are paid automatically to eligible retirees. No forms are used and no action is required by retirees in order to receive System Generated COLAs.

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:

System Funding	System earns at least 8.25%	System earns ARR <sup>1</sup> , but not 8.25%	System does not earn ARR
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 7.4% 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.](#)