

Cost of Living Adjustment – July 1, 2021

Q. What index is used to determine the Cost-of-Living-Adjustment (COLA) and what was the percentage increase?

A: The amount of the adjustment is based on the change in the Consumer Price Index-All Urban Consumers, Washington-Arlington-Alexandria, DC-VA-WVA (CPI-U) from May 2020 to May 2021. The change in the CPI-U for this period was 3.797%, however, the increase you will receive will be based on the retirement group you participated in, your hire date, retirement date and/or disability date. These factors may result in the COLA you receive being lower than 3.797%.

Q: How does the date I was hired by the County or a participating agency and my retirement date impact my Cost-of-Living-Adjustment (COLA)?

A: The amount of the COLA you receive is impacted by your membership date, which is the date you began participating in the Employees' Retirement System (ERS) which may or may not be your date of hire, as well as the date you retired. Your COLA will have two components:

1. If you retired **BEFORE** 7/1/2011, the COLA you receive is based on the following:
 - a. If you became a member of the Employees' Retirement System **before 7/1/1978**, your COLA is not limited.
 - b. If you became a member of the Employees' Retirement System **after 7/1/1978**, and if you **retired prior to 11/1/2001**, (prior to 3/1/2000 for firefighters and police officers) you will receive 60% of the COLA.
 - c. If you became a member of the Employees' Retirement System **after 7/1/1978**, and if you **retired after 11/1/2001 and prior to 7/1/2011**, (prior to 3/1/2000 for firefighters and police officers), you will receive 100% of the COLA up to 3% and 60% of the COLA above 3.0%.
2. If you retired **AFTER** 7/1/2011, depending on when you became a member of the Employees' Retirement System as noted above, you will receive the applicable COLA and your COLA will be capped at 2.5% for membership service after from 7/1/2011.

Q: What COLA will I receive if I retired between July 1, 2020 and June 30, 2021?

If you retired from July 1, 2020 thru June 30, 2021 your COLA increase is based on your membership date as well as your retirement date as defined above. The following table reflects the COLA amount based upon your service prior to 7/1/2011:

OPTIONAL & OPTIONAL INTEGRATED PLAN – if your membership in the ERS began prior to 7/1/1978

<u>Retirement Date</u>	<u>COLA</u>
07/01/2020 - 07/31/2020	3.797%
08/01/2020 - 09/30/2020	3.193%
10/01/2020 - 11/30/2020	2.617%
12/01/2020 - 01/31/2021	2.651%
02/01/2021 - 03/31/2021	1.954%
04/01/2021 - 05/31/2021	1.276%
06/01/2021 - 06/30/2021	0.000%

MANDATORY INTEGRATED PLAN – if your membership in the ERS began on or after 7/1/1978:

<u>Retirement Date</u>	<u>COLA</u>
7/1/2020 - 07/31/2020	3.478%
08/01/2020- 09/30/2020	3.116%
10/01/2020 - 11/30/2020	2.617%
12/01/2020 - 01/31/2021	2.651%
2/1/2021 - 03/31/2021	1.954%
04/01/2021 - 05/31/2021	1.276%
06/01/2021 - 06/30/2021	0.000%

Q: What if I receive disability retirement benefits, how is my COLA calculated?

A: Your COLA is based on the date of your disability award. For disability awards dated after 7/1/2011, the COLA is capped at 2.5%. For disability awards prior to 7/1/2011, your COLA is based on the whether you were hired before 7/1/78 or after 7/1/1978.

Q: When will the Cost-of-Living-Adjustment (COLA) be reflected in my monthly retirement payment?

A: The increase will be reflected in your July 1, 2021 retirement payment.

Q: What if I still have questions? We're Here to Help! Contact us by email at retirement@montgomerycountymd.gov or by phone at (240) 777-8230.