



Cost of Living Adjustment – July 1, 2025

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

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 2024 to May 2025. The change in the CPI-U for this period is 1.867%, however, the increase you will receive will be based on the member's retirement group, birth date, hire date, retirement date and/or disability date. These factors may result in the COLA you receive being lower than 1.867%.

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, 2025 retirement payment.

Q: How does the date I was hired by the County or a participating agency 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. If your plan membership is before 7/1/1978, there is no limit in the amount of COLA that you will receive. If you became a member of the Employees' Retirement System after 7/1/1978, and you retired prior to 11/1/2001 (prior to 3/1/2000 for firefighters and police officers), you will receive 60% of the COLA up to 5%. If you became a member of the Employees' Retirement System after 7/1/1978, and you retired after 11/1/2001 (after 3/1/2000 for firefighters and police officers) and before 7/1/2011, you will receive 100% of the COLA up to 3% and 60% of the COLA in excess of 3% (up to 5% for firefighters).

Q: How does my retirement date impact my COLA?

A: If you retired after 7/1/2011 under the Mandatory Integrated Plan, except for firefighters, all membership service after 7/1/2011 (the amount of time you worked from 7/1/2011 until your retirement date) has a COLA cap of 2.5%. Your COLA will have two components: one reflecting the service prior to 7/1/2011 which has no COLA cap and the second component is service after 7/1/2011 which is capped at 2.5%.

If you retired during the immediate past fiscal year, your COLA increase is based on the following table per the change of CPI-U from the relevant month you retired to May 2024 and will be adjusted for service after 7/1/2011 under Mandatory Integrated Plan.

OPTIONAL & OPTIONAL INTEGRATED PLAN

Retirees who were members of the ERS prior to 7/1/1978

<u>Retirement Date</u>	<u>COLA</u>
07/31/2024 OR PRIOR	1.867%
08/01/2024- 09/30/2024	1.616%
10/01/2024 - 11/30/2024	1.316%
12/01/2024 - 01/31/2025	1.520%
02/1/2025 - 03/31/2025	1.064%
04/01/2025 - 05/31/2025	0.298%
06/01/2025 - 06/30/2025	0.000%

MANDATORY INTEGRATED PLAN

Retirees who became members of the ERS on or after 7/1/1978

<u>Retirement Date</u>	<u>COLA</u>
PRIOR TO 11/01/2001	1.120%
11/01/2001 - 07/31/2024	1.867%
08/01/2024 - 09/30/2024	1.616%
10/01/2024 - 11/30/2024	1.316%
12/01/2024 - 01/31/2025	1.520%
02/1/2025 - 03/31/2025	1.064%
04/01/2025 - 05/31/2025	0.298%
06/01/2025 - 06/30/2025	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 all 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 whether you were hired before 7/1/1978 or after 7/1/1978.

Q: What if I still have questions? We're here for you whenever you need us!

Contact us by email at retirement@montgomerycountymd.gov or by phone at (240) 777-8230.