CONSUMER PRICE INDEX - CPI - W
U. S. CITY AVERAGE
2016

Effective January 1, 2017

MONTH AND YEAR		PERCENTAGE OF ANNUAL MONTHLY INCREASE
NOVEMBER	2015	0.100%
DECEMBER	2015	0.400%
JANUARY	2016	1.200%
FEBRUARY	2016	0.700%
MARCH	2016	0.500%
APRIL	2016	0.800%
MAY	2016	0.700%
JUNE	2016	0.600%
JULY	2016	0.400%
AUGUST	2016	0.700%
SEPTEMBER	2016	1.200%
OCTOBER	2016	1.400%
	TOTAL	8.700%

*PERCENTAGE OF **ANNUAL AVERAGE CHANGE IN THE PRICE INDEX** FOR LAST 12 MONTHS*

8.70% / 12 mos. **= 0.725%**

PERCENTAGE CHANGE IN THE PRICE INDEX FROM OCTOBER 2015 TO OCTOBER 2016

235.73 - 232.37 / 232.37 **= 1.446%**

10/16 Index **10/15 Index** **10/15 Index**

ERF 2016 COLA effective for January 1, 2017 is 1.446%

COLA REQUIREMENT

COLA increase is required by statute, Chapter 40a; Section 28

The maximum COLA is: 5% Tier A
3% Tier B (members hired after Decemeber 31, 2016)

CALCULATION

The ERF COLA is an automatic adjustment to benefit payments that occurs annually. The purpose of the COLA is to ensure that the purchasing power of income received from pension benefits is not eroded by inflation.
It is based on the higher of:

(1) the annual average change of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12 month period from November through October; **or**

(2) the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from October of one year to October of the next year.

If there is no increase, there is no COLA.

The retiree COLA is not compounded, and the COLA percentage is applied to the initial base pension.
ERF uses the CPI-W data for the Southwest Region.

Social Security COLA for January 1, 2017 will be 0.3%.

Their increase is based on the increase in the CPI-W from the 3rd quarter of one year to the 3rd quarter of the next year.
SSA uses the National CPI-W, and ERF uses the Southwest Region.