

2012 SamCERA COLAs Between 2.0% and 2.5%

Because of a modest inflation rise in 2011, nearly all SamCERA retirees and beneficiaries will receive a 2.5% Cost of Living Adjustment (COLA) this year. The COLA applies to retirees and beneficiaries retired before April 2, 2012, and the amount of the COLA will depend on the retirement plan. The COLA for Plan 1 and Plan 2 is 2.5%, while the Plan 4 COLA is 2.0%. Plan 3 provisions do not provide a COLA.

All COLAs will be paid beginning with the April 2012 benefit payments.

2012 SamCERA COLAs	
Retirement Plan	COLA
Plan 1	2.5%
Plan 2	2.5%
Plan 3	None
Plan 4	2.0%

2012 COLA amounts apply to members and beneficiaries retired before April 2, 2012.

How COLA is Calculated

SamCERA's COLAs are calculated according to California law, which requires them to be based on the change in the annual Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area (as determined by the Federal Bureau of Labor Statistics). The law also requires the amount to be rounded to the nearest one-half of one percent. This year, since the index increased 2.6%, the nearest one-half of one percent is 2.5%. The maximum allowable COLA for Plan 4 is always 2.0%. These COLA amounts are validated by SamCERA's actuarial firm, Milliman, Inc.

Remember, annual COLAs can increase or decrease depending on whether the Bay Area experiences inflation or deflation, but your pension will never go below the basic benefit allowance you received when you retired.