

COLA Calculation FY 25 – ERS

Based on Funding Policy adopted 4/21/2022

1. Actuarial Rate of Return = 6.87%
 - Hurdle Rate = 6.00%
2. Excess Return = $6.87\% - 6.00\% = 0.87\%$
3. Funding Ratio = 72.0%
 - Shareable Factor = 0.25
4. Shareable Portion = $0.87\% \times 0.25 = 0.22\%$
 - Rounded to nearest 0.25% = 0.25%
5. Inflation Rate (per SSA COLA Rate) = 3.20%
 - Inflation Rate capped at 3.00%
6. COLA Rate = lesser of 0.25% and 3.00% = 0.25%

Note: See Schedule F of the June 30, 2023 ERS Actuarial Report for Methodology