

# COLA Calculation FY 26 – ERS

Based on Funding Policy adopted 4/21/2022

1. Actuarial Rate of Return = 8.45%
  - Hurdle Rate = 6.00%
2. Excess Return =  $8.45\% - 6.00\% = 2.45\%$
3. Funding Ratio = 75.9%
  - Shareable Factor = 0.25
4. Shareable Portion =  $2.45\% \times 0.25 = 0.6125\%$ 
  - Rounded to nearest 0.25% = 0.50%
5. Inflation Rate (per SSA COLA Rate) = 2.50%
  - Inflation Rate no higher than 3.00%
6. COLA Rate = lesser of 0.50% and 2.50% = 0.50%

**Note:** See Schedule F of the June 30, 2024 ERS Actuarial Report for Methodology