

Calculation of ERS COLA – FY24

Based on Funding Policy adopted 4/21/2022

1. Actuarial Rate of Return = 7.96%
 - a. Hurdle Rate = 6.00%
2. Excess Return = 7.96% - 6.00% = 1.96%
3. Funding Ratio = 72.2%
 - a. Shareable Factor = 0.25
4. Shareable Portion = 1.96% x 0.25 = 0.49%
 - a. Rounded to nearest 0.25% = 0.50%
5. Inflation Rate (per SSA COLA Rate) = 8.70%
 - a. Inflation Rate capped at 3.00%
6. COLA Rate = lesser of 0.50% and 3.00% = 0.50%

Note: See Schedule F of the June 30, 2022 ERS Actuarial Report for Methodology