

COLA Calculation FY 27 – JRS

Based on Funding Policy adopted 4/16/2026

1. Actuarial Rate of Return = 9.95%
 - Hurdle Rate = 5.50%
2. Excess Return = $9.95\% - 5.50\% = 4.45\%$
3. Funding Ratio = 99.9%
 - Shareable Factor = 0.75
4. Shareable Portion = $4.45\% \times 0.75 = 3.3375\%$
 - Rounded to nearest 0.25% = 3.25%
5. Inflation Rate (per SSA COLA Rate) = 2.80%
 - Inflation Rate no higher than 3.00%
6. COLA Rate = lesser of 3.25% and 2.80% = 2.80%

Note: See Schedule F of the June 30, 2025 JRS Actuarial Report for Methodology