

COLA Calculation FY 25 – PSERS

Based on ERS COLA Methodology

1. Actuarial Rate of Return = 6.86%
 - Hurdle Rate = 6.00%
2. Excess Return = $6.86\% - 6.00\% = 0.86\%$
3. Funding Ratio = 86.4%
 - Shareable Factor = 0.50
4. Shareable Portion = $0.86\% \times 0.50 = 0.43\%$
 - Rounded to nearest 0.25% = 0.50%
5. Inflation Rate (per SSA COLA Rate) = 3.20%
 - Inflation Rate capped at 3.00%
6. COLA Rate = lesser of 0.5% and 3.00% = 0.50%