

# COLA Calculation FY 25 – JRS

## Based on ERS COLA Methodology

1. Actuarial Rate of Return = 6.85%
  - Hurdle Rate = 6.00%
2. Excess Return =  $6.85\% - 6.00\% = 0.85\%$
3. Funding Ratio = 105.1%
  - Shareable Factor = 1.00
4. Shareable Portion =  $0.85\% \times 1.00 = 0.85\%$ 
  - Rounded to nearest 0.25% = 1.00%
5. Inflation Rate (per SSA COLA Rate) = 3.20%
  - Inflation Rate capped at 3.00%
6. COLA Rate = lesser of 1.00% and 3.00% = 1.00%