

COLA Adoption 2025

2/26/2025

SBCERS

Santa Barbara County Employees' Retirement System

Background

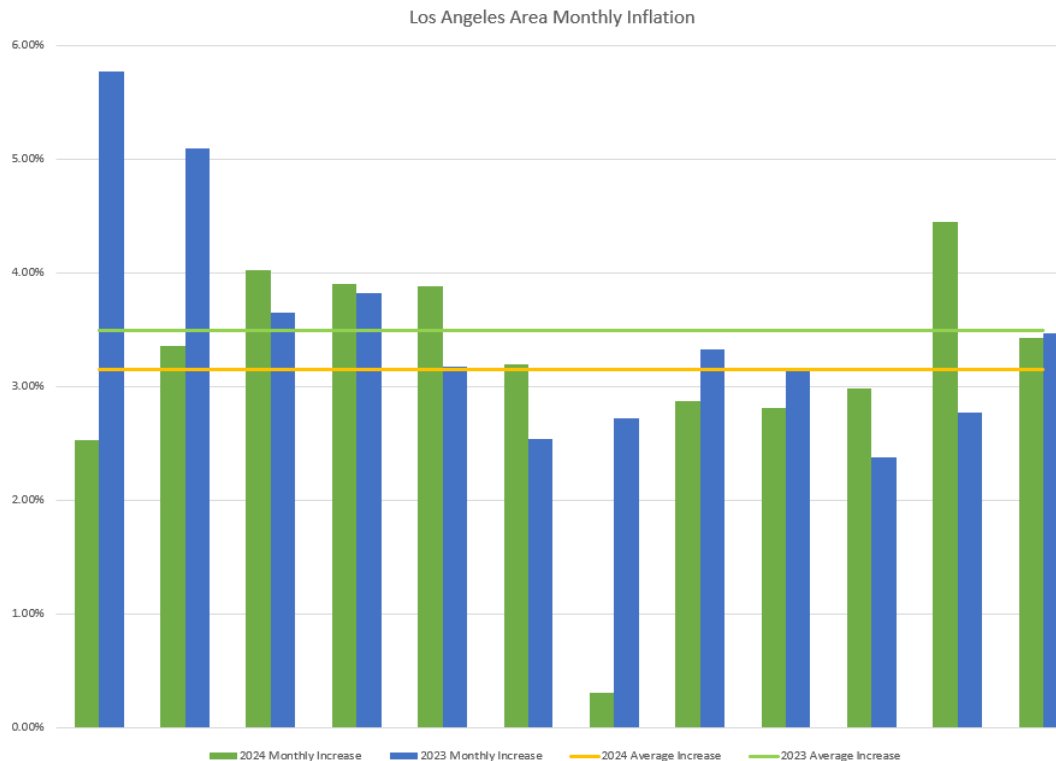
- ▶ Cost of Living Adjustment (COLA) rate is determined by the annual increase in the Consumer Price Index (CPI) for Los Angeles-Long Beach-Anaheim
 - ▶ Rounded to nearest half percent
 - ▶ Region includes Los Angeles and Orange Counties
 - ▶ All Items are included in this index
 - ▶ Food and Beverages, Housing, Apparel, Transportation, Medical Care, Recreation, Education and communication, Other goods and services
- ▶ Board of Retirement approval required by April 1st

COLA Banking

- ▶ The annual COLA increase is subject to a limit
 - ▶ 3.0% or 2.0%, depending on Plan
- ▶ If the annual CPI is greater than the COLA limit, the difference is added to the COLA bank
- ▶ The COLA bank can be drawn from in years with low CPI to allow the member to meet their retirement plan's COLA limit

SBCERS COLA 2025

- ▶ CPI rate increased 3.300% from 2023 to 2024
 - ▶ Rounded to 3.5%
 - ▶ Plans subject to 3.0% limit will receive a 3.0% COLA and bank 0.5%
 - ▶ Plans subject to 2.0% limit will receive a 2.0% COLA and bank 1.5%
 - ▶ No increase for General Plan 2



Increase in Benefit Payouts

- ▶ We estimate that beginning May 1, the effect of the COLA will increase the monthly benefit payment by \$762,865 per month

Appendix

The background of the slide is white with abstract green geometric shapes. On the right side, there are several overlapping, semi-transparent green triangles and polygons in various shades of green, ranging from a light lime green to a dark forest green. These shapes create a dynamic, layered effect. On the left side, there is a single, solid green triangle pointing towards the center. The overall design is clean and modern.

Historical CPI: Los Angeles-Long Beach-Anaheim

Historical CPI Increase

