

COLA Adoption 2024

2/28/2024

SBCERS

Santa Barbara County Employees' Retirement System

Background

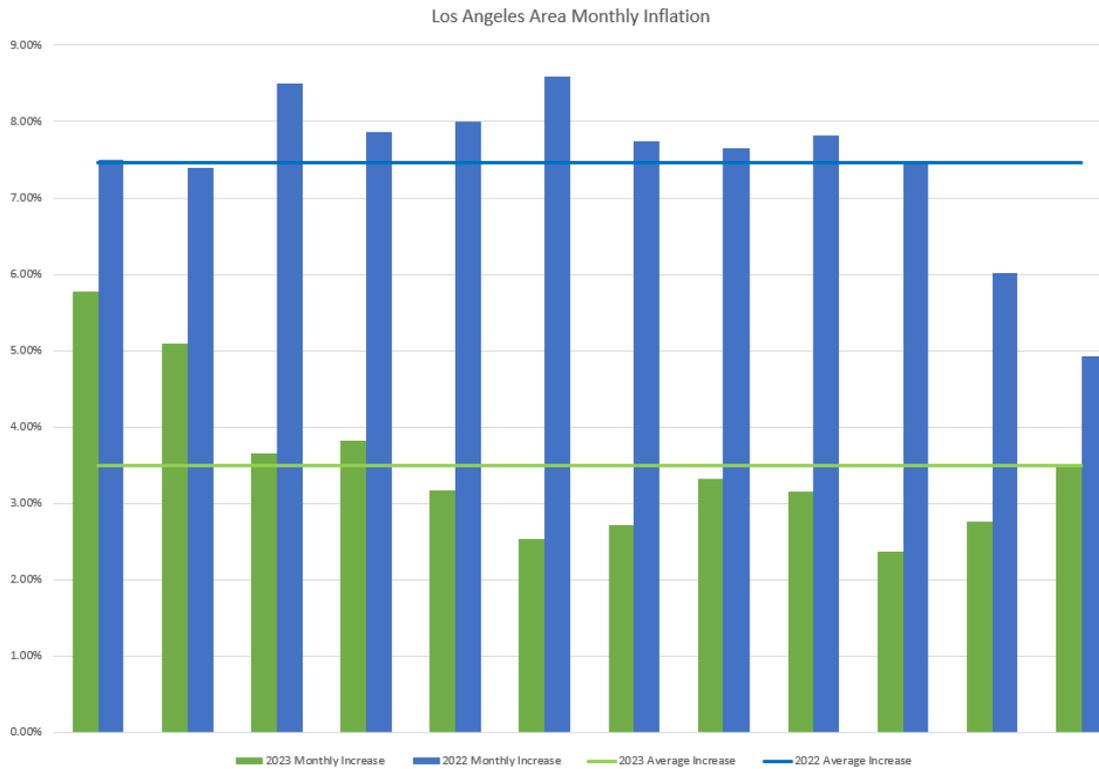
- ▶ Cost of Living Adjustment (COLA) rate is determined by the annual increase in the Consumer Price Index (CPI) for Los Angeles-Long Beach-Anaheim
 - ▶ Rounded to nearest half percent
 - ▶ Region includes Los Angeles and Orange Counties
 - ▶ All Items are included in this index
 - ▶ Food and Beverages, 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 2024

- ▶ CPI rate increased 3.475% from 2022 to 2023
 - ▶ 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 \$708,500 per month

Appendix

The background features abstract, overlapping green geometric shapes in various shades, primarily concentrated on the right side of the page. The shapes include triangles and polygons, creating a layered, modern aesthetic. The colors range from light lime green to dark forest green.

Historical CPI: Los Angeles-Long Beach-Anaheim

