

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION OWS
	CORRESPONDENCE SYMBOL DU10
	DATE February 7, 2005

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 12-05

TO: STATE WORKFORCE AGENCIES

FROM: CHERYL ATKINSON /s/
 Administrator
 Office of Workforce
 Security

SUBJECT: Increase in Social Security Annuities and Federal Civilian Pensions

1. **Purpose.** To ensure that state workforce agencies are aware of the increases in social security survivors and old age retirement annuities and Federal civilian pensions due to annual cost of living adjustments (COLAs).
2. **Background.** The 2005 COLA for social security survivors and old age retirement annuities and Federal civilian pensions was effective December 1, 2004. The percent of increase was included in the benefit paid January 3, 2005. (See Federal Register, Vol. 69, No. 206, October 26, 2004, Notices 62497-62502.)

 Federal civilian retirees who received benefits for at least a year under the Civil Service Retirement System (CSRS) received a 2.7 percent COLA increase; Federal civilian retirees who received benefits for at least a year under the Federal Employees' Retirement System (FERS) received a COLA increase of 2.0 percent. Both CSRS and FERS COLA increases were effective December 1, 2004, and were paid in the January 1, 2005, annuity check.
3. **Action Required.** State Administrators should provide this information to appropriate staff.
4. **Inquiries.** Direct inquiries to the appropriate Regional Office.
5. **Attachment.** Cost of Living Annuity Adjustment Percentages Schedule.

RESCISSIONS	EXPIRATION DATE
UIPL 09-04	January 2006

Cost of Living Annuity Adjustment Percentages Schedule

The COLA of Federal civilian retirement annuities is prorated as follows:

<u>CIVILIAN ANNUITIES</u> <u>BEGAN</u>	<u>Amount of Percentage Increase</u>	
	CSRS	FERS
December 2003 or earlier	-----2.7 %-----	-----2.0%
January 2004	-----2.5%-----	-----1.8%
February 2004	-----2.3%-----	-----1.7%
March 2004	-----2.0%-----	-----1.5%
April 2004	-----1.8%-----	-----1.3%
May 2004	-----1.6%-----	-----1.2%
June 2004	-----1.4%-----	-----1.0%
July 2004	-----1.1%-----	-----0.8%
August 2004	-----0.9%-----	-----0.7%
September 2004	-----0.7%-----	-----0.5%
October 2004	-----0.5%-----	-----0.3%
November 2004	-----0.2%-----	-----0.2%

States with laws that provide for reduction of the weekly unemployment insurance benefit amount by the prorated weekly amount of retirement pay and pensions should review the claimants' records to identify those who are affected by these COLA increases.

States should take action to make the appropriate deductions as required by state law based on the increased retirement or annuities amount in accordance with their state law.

Additional information about the 2005 annuity increases can be found on the Office of Personnel Management (OPM) web site. The web address is:

<http://www.opm.gov/retire/html/faqs/2005cola.asp>.