

**Updated Enhanced COLA analysis:**

Updates the figures I provided at the June meeting of the Special COLA Commission. We were asked to determine the cost to provide an enhanced COLA with the following payment schedule:

- a) Eligibility: at least 20 years of service with an annual retirement allowance less than 150% of the average annual retirement allowance in the most recent actuarial valuation.

<b><i>Number of Years Retired as of June 30 of prior fiscal year</i></b>	<b><i>Additional Monthly COLA</i></b>	<b><i>Additional Annual COLA</i></b>
At least 10 but < 15	\$10	\$120
At least 15 but < 20	\$20	\$240
At least 20 but < 25	\$30	\$360
25 or more	\$40	\$480

**Estimated Impact:**

State Retirement System	\$322.5 million
Mass Teachers' Retirement System	\$559.0 million
Total Impact	\$881.5 million

**Summary of Prior Analyses for Enhanced COLAs:**

**February meeting:**

	Prior Analysis	Updated Analysis
At least 20 years of service, been retired at least 15 years, benefit below average (\$100 annual increase)	\$97.1 million	\$96.0 million
At least 20 years of service, been retired at least 20 years, benefit below average (\$200 annual increase)	\$94.0 million	\$126.0 million
At least 20 years of service, if retired between 15-20, \$100 annual increase, if retired more than 20 years, \$200 annual increase	\$166.25 million	\$173.8 million

March Meeting:

*Benefits below 150% of the average benefit for SERS/MTRS:*

	Increase in AAL
At least 20 years of service, been retired at least 15 years, benefit below 150% average (\$100 annual increase)	\$202.9 million
At least 20 years of service, been retired at least 20 years, benefit below 150% average (\$200 annual increase)	\$204.7 million
At least 20 years of service, if retired between 15-20, \$100 annual increase, if retired more than 20 years, \$200 annual increase, benefit below 150% of average	\$349.8 million

*No benefit limit SERS/MTRS:*

	Increase in AAL
At least 20 years of service, been retired at least 15 years, (\$100 annual increase)	\$219.1 million
At least 20 years of service, been retired at least 20 years, (\$200 annual increase)	\$215.3 million
At least 20 years of service, if retired between 15-20, \$100 annual increase, if retired more than 20 years, \$200 annual increase,	\$375.9 million

*Benefits below poverty level for household of 2 (\$21,150):*

	Increase in AAL
At least 20 years of service, been retired at least 15 years, benefit below \$21,150 (\$100 annual increase)	\$12.4 million
At least 20 years of service, been retired at least 20 years, benefit below \$21,150 (\$200 annual increase)	\$18.0 million
At least 20 years of service, if retired between 15-20, \$100 annual increase, if retired more than 20 years, \$200 annual increase, benefit below \$21,150	\$22.9 million

March Meeting (continued):

*Benefits below 150% of poverty level for household of 2 (\$31,725):*

	Increase in AAL
At least 20 years of service, been retired at least 15 years, benefit below \$31,725 (\$100 annual increase)	\$44.0 million
At least 20 years of service, been retired at least 20 years, benefit below \$31,725 (\$200 annual increase)	\$63.3 million
At least 20 years of service, if retired between 15-20, \$100 annual increase, if retired more than 20 years, \$200 annual increase, benefit below \$31,725	\$81.3 million