



MEMORANDUM

TO: Sheila Morgan-Johnson, Acting Executive Director, DC Retirement Board
FROM: 
Ventris C. Gibson, Director, DCHR
DATE: Monday, February 8, 2016
SUBJECT: 2016 Cost-of-Living Adjustment for DC Teachers, Police Officers, and Firefighters

Forwarded herewith for your information and implementation are cost-of-living adjustment (COLA) notices identifying the increase percentages for members of the District of Columbia Teachers' Retirement Plan (the "Teacher's Plan") and the District of Columbia Police Officers and Firefighters' Retirement Plan (the "Police/Fire Plan") for 2016.

As you will note, due to the changes in the Consumer Price Index applicable to the Plans during calendar year 2015, Teachers Plan annuitants will receive a COLA of 0.4% and Police/Fire Plan annuitants will receive a COLA of 0.7% for 2016.

In accordance with the provisions of the applicable statutes, the effective date of these increases is March 1, 2016 and they are payable to eligible annuitants effective April 1, 2016.

Should you have any questions, please contact Johnetta Bond at (202) 343-3238 or at johnetta.bond@dc.gov.

Attachments

Candice Ahwah-Gonzalez, Associate Director, Benefits and Retirement Administrations, DCHR
Gordon McDonald, Deputy CFO for Budget & Planning, OCFO
Nancy Ostrowski, Director, ODCP, US Department of the Treasury
Johnetta B. Bond, Chief Benefits Officer, DCRB

2016 Cost-of-Living Adjustment for DC Teachers, Police Officers, and Firefighters
GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE OF THE MAYOR
DC DEPARTMENT OF HUMAN RESOURCES

2016 COLA NOTICE FOR PUBLIC SCHOOL TEACHERS

Section 11013(b) of the Balanced Budget Act of 1997, P.L. 105-33, codified at D.C. Code § 38-2021.21(b), as amended, provides for a cost-of-living adjustment (COLA) of annuities effective March 1 of each year, and payable April 1 of each year, for retired District of Columbia Public School Teachers and their survivors. For teachers hired before November 1, 1996, and their survivors, the COLA effective on March 1, 2016, is 0.4%. Since this percentage is below the 3% cap applicable to teachers hired on or after November 1, 1996, and their survivors, their COLA effective March 1, 2016, is also 0.4%. Therefore, the annuity adjustments for both groups are as follows:

1. District of Columbia public school teachers, hired before, on, or after November 1, 1996, who retired under an annuity commencing on or before March 1, 2015, and their survivors, whose annuities commenced on or before March 1, 2015, are entitled to a full 0.4% COLA increase.
2. District of Columbia public school teachers, hired before, on, or after November 1, 1996, who retired under an annuity commencing after March 1, 2015, and before March 1, 2016, are entitled to a prorated COLA increase equal to 1/12th of the 0.4% COLA increase multiplied by the number of months (not to exceed 12 months, and counting any portion of a month as an entire month) for which the annuity was effective before March 1, 2016. For example, if a teacher retired on November 8, 2015, the prorated 2016 COLA would be .1% (4 months x 1/12th x 0.4% = .1), adjusted to the nearest 1/10 of 1%.
3. The table below summarizes the rules for determining the first COLA for survivors of District of Columbia public school teachers. Where applicable, the prorated COLA increase is determined as described in paragraph 2 above.

Survivors	
Type of Case	First COLA
Spouse—Death in Service	Prorated based on effective date of survivor annuity
Spouse—Death after Retirement (before the retiree's first COLA)	Prorated based on effective date of retiree annuity
Spouse—Death after Retirement (after the retiree's first COLA)	NOT Prorated (full COLA is paid)
Children (All circumstances)	NOT Prorated (full COLA is paid)
Dependent Parent—Death in Service	Prorated based on effective date of survivor annuity

2016 Cost-of-Living Adjustment for DC Teachers, Police Officers, and Firefighters

GOVERNMENT OF THE DISTRICT OF COLUMBIA EXECUTIVE OFFICE OF THE MAYOR DC DEPARTMENT OF HUMAN RESOURCES

2016 COLA NOTICE FOR POLICE AND FIREFIGHTERS

Section 11013(b) of the Balanced Budget Act of 1997, P.L. 105-33, codified at D.C. Code § 38-5-718 and D.C. Code § 5-719, provides for a cost-of-living adjustment (COLA) of annuities effective March 1 of each year, and payable April 1 of each year, for District of Columbia Police Officers and Firefighters who retired on or after February 15, 1980, and for all survivors. For police officers and firefighters hired before November 10, 1996, and their survivors, the COLA effective on March 1, 2016 is 0.7%. Since this percentage is below the 3% cap applicable to police officers and firefighters hired on or after November 10, 1996, and their survivors, their COLA effective March 1, 2016, is also 0.7%. Therefore, the annuity adjustments for both groups are as follows:

1. District of Columbia police officers and firefighters, hired before, on, or after November 10, 1996, who retired under an annuity commencing on or before March 1, 2015, and their survivors, whose annuities commenced on or before March 1, 2015, are entitled to a full 0.7% COLA increase.
2. District of Columbia police officers and firefighters, hired before, on, or after November 10, 1996, who retired under an annuity commencing after March 1, 2015, and before March 1, 2016, are entitled to a prorated COLA increase equal to $1/12^{\text{th}}$ of the 0.7% COLA increase multiplied by the number of months (not to exceed 12 months, and counting any portion of a month as an entire month) for which the annuity was effective before March 1, 2016. For example, if a firefighter retired on November 8, 2015, the prorated 2016 COLA would be .2% ($4 \text{ months} \times 1/12^{\text{th}} \times 0.7\% = .2\%$), rounded to the nearest $1/10$ of 1%. For the annuities of survivors (spouses and children) of District of Columbia police officers and firefighters hired before, on, or after November 10, 1996, the first COLA is prorated as described based on the effective date of the survivor annuity.