

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION OWS
	CORRESPONDENCE SYMBOL DUIO
	DATE December 29, 2005

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 8-06

TO: STATE WORKFORCE AGENCIES

/s/

FROM: CHERYL AKTINSON
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, 2005. The percent of increase was included in the benefit paid January 3, 2006. (See Federal Register, Vol. 70, No. 205, October 25, 2005, Notices 61677-61683).

Federal civilian retirees who received benefits for at least a year under the Civil Service Retirement System (CSRS) received a 4.1 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 3.1 percent. Both CSRS and FERS COLA increases were effective December 1, 2005, and will be paid in the January 3, 2006, 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 None	EXPIRATION DATE December 29, 2006
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Cost of Living Annuity Adjustment Percentages Schedule

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

Amount of Percentage Increase

CIVILIAN ANNUITIES BEGAN	CSRS/ ORDS	CIVILIAN ANNUITIES BEGAN	FERS
December 2004	4.1%	December 2004	3.1%
January 2005	3.8%	January 2005	2.8%
February 2005	3.4%	February 2005	2.6%
March 2005	3.1%	March 2005	2.3%
April 2005	2.7%	April 2005	2.1%
May 2005	2.4%	May 2005	1.8%
June 2005	2.1%	June 2005	1.6%
July 2005	1.7%	July 2005	1.3%
August 2005	1.4%	August 2005	1.0%
September 2005	1.0%	September 2005	0.8%
October 2005	0.7%	October 2005	0.5%
November 2005	0.3%	November 2005	0.3%

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 2006 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/2006cola.asp>.

Additional information about the 2006 social security COLA can be found at:

<http://www.ssa.gov/pressoffice/pr/2006cola-pr.htm>.