

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	<b>CLASSIFICATION</b> UI
	<b>CORRESPONDENCE SYMBOL</b> OWS/DUI 0
	<b>DATE</b> January 2, 2009

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 5-09

**TO:** STATE WORKFORCE AGENCIES

**FROM:** BRENT R. ORRELL /s/  
Deputy Assistant Secretary

**SUBJECT:** Increase in Federal Military Pensions

1. Purpose. To ensure State Workforce Agencies are aware of the Federal military retired pay annual cost of living adjustment (COLA) and to provide the Department of Defense Web site where the COLA information is located.
2. Background. Military COLA increases will be effective December 1, 2008, based on the increase in the Consumer Price Index (CPI). Military retired pay, by law, is always rounded down to the next lower dollar amount. The term "retired pay" includes retainer pay and the term "member" includes former members.
3. COLA for Retired Pay. The COLA increase for those individuals who first became a member of a uniformed service before September 8, 1980, is 5.8%.

The COLA increases for those who became members of a uniformed service on or after September 8, 1980, are determined by the effective date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2008	5.8 percent	1401a(b)(2)
January 1 - March 31, 2008	5.0 percent	1401a(d)
April 1 - June 30, 2008	3.8 percent	1401a(d)
July 1 - September 30, 2008	1.2 percent	1401a(d)
October 1 - December 31, 2008	0.0 percent	1401a(d)

The above information is on the Department of Defense Web site located at:  
<http://www.dfas.mil/retiredpay/costoflivingallowancecola.html>.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> January 2, 2010
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4. Instructions. States with laws that require a reduction of the UI weekly benefit amount by the prorated weekly amount of retired pay and pensions should identify claimants affected by the COLA increases and make the appropriate reductions as required by state law.
5. Action Required. State Administrators are requested to provide the above information to appropriate staff.
6. Inquiries. Please direct all inquiries to the appropriate Regional Office.