

LEGISLATIVE PRIORITIES

APWU SUPPORTS EQUITABLE FEDERAL EMPLOYEE COLAS

Those that retired under the Federal Employees Retirement System (FERS) receive a Social Security Cost-of-Living Adjustment (COLA) that is calculated differently than those that retired under the Civil Service Retirement System (CSRS). This calculation results in reduced COLAs for FERS annuitants, equaling up to one percent less than CSRS COLAs.

THE EQUAL COLA ACT (H.R. 866)

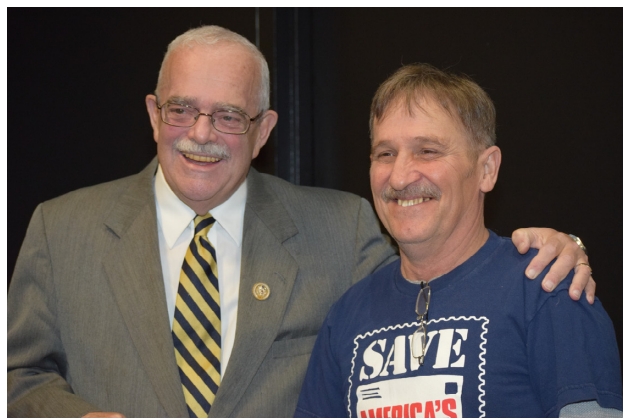
Lead Cosponsor: Rep. Gerry Connolly (D-VA-11)

This bill, introduced in the House on February 8, 2023, would fix this COLA discrepancy created in the 1980s. Under the current system, all COLAs are based on the percentage increase in the Consumer Price Index (CPI). If this increase is under two percent, CSRS and FERS retirees receive the same COLA. However, if the U.S. experiences high levels of inflation, unlike CSRS annuitants, FERS annuitants do not receive their full COLA. More specifically:

- If the CPI increase is between two and three percent, FERS retirees receive a flat two percent increase.
- If the CPI increase is over three percent, one percent is subtracted from the CPI for FERS retirees.

For 2023, the CPI increased by 8.7% between the third quarters of 2021 and 2022. As a result, the CSRS retirees saw an 8.7% COLA, while FERS retirees received a 7.7% COLA. Although it may appear minor, one percentage point can equal tens of thousands of dollars over the course of an individual's retirement.

The Equal COLA Act will give both FERS and CSRS retirees COLAs based on the CPI. It is time we stop penalizing our seniors for their retirement system and give fair Cost-of-Living Adjustments to our retired federal employees!



Contact the APWU Legislative and Political Department at (202) 842-4211 for more information

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