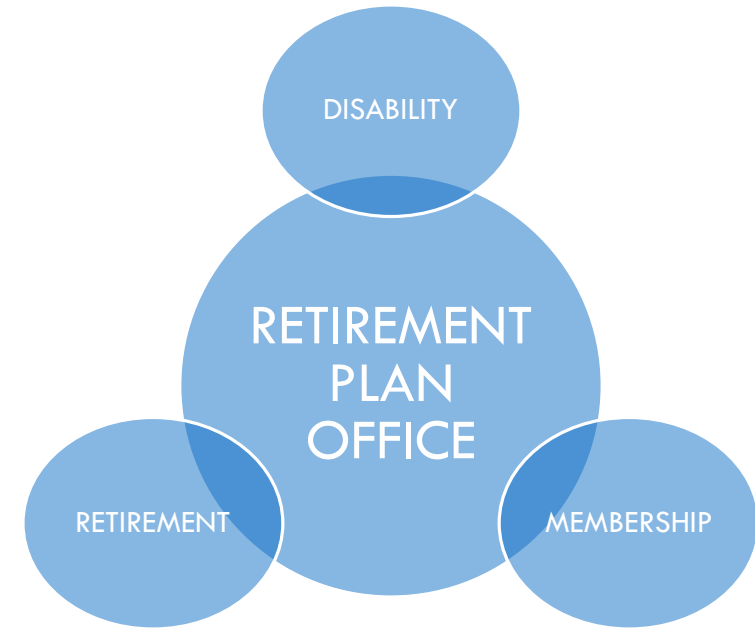


# Retirement Plan Office Webinar: COLA Banking

- This webinar is being recorded. Only the presenter and supporting staff will be shown in the recording.
- The recording, along with the questions and answers, will be available on our website: <https://retirement.ladwp.com>
- Your mics are muted. To ask questions, please type in the CHAT function. We will respond to questions after the prepared remarks.



# WATER AND POWER EMPLOYEES' RETIREMENT PLAN



# COLA Banking

2/15/2023 Webex

# COLA Banking

- Tier 1
- CPI for Los Angeles as published by the BLS for the year ended Dec 31
- CPI can be positive, negative, or zero
- Maximum COLA is 3.0% (Tier 1) and 2.0% (Tier 2)
- Any amount above 3.0% is banked for Tier 1 only
- Must retire **on or before July 1** of the effective date of the COLA
- Retirement benefits are paid at the end of the month



# Examples from the Bulletin

Tom retiring 5/1/2023 → (1) Pro-rata from last July (0.5%)

(2) 3.0% COLA

(3) 4.4% banking

Mary retiring 7/1/2023 → (1) 3.0% COLA

(2) 4.4% banking

Henrietta retiring 8/1/2023 → (1) Pro-rata from this July (2.8%)



# What happens next year to Tom and Mary?

Next year, the Board approves a COLA of \_\_\_\_\_ for July 1, 2024

1. COLA of 3.0%  Bank stays at 4.4%
2. COLA of 1.6%  Bank is reduced to 3.0% (4.4% - 1.4%)
3. COLA of 0.0%  Bank is reduced to 1.4% (4.4% - 3.0%)

The following year, the Board approves a COLA of \_\_\_\_\_ for July 1, 2025

- 3a. COLA of 2.0%  Bank is reduced to 0.4% (1.4% - 1.0%)
- 3b. COLA of 1.0%  Bank is reduced to 0.0% (1.4% - 1.4%)



- This retiree will get a 2.4% COLA (1.0% + 1.4%)

# Eligible Pool – Tier 1

## Tier 1

Age	Years of Service									
	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25 – 29	4	—	4	—	—	—	—	—	—	—
	\$136,140	—	\$136,140	—	—	—	—	—	—	—
30 – 34	105	2	68	32	3	—	—	—	—	—
	136,350	\$84,676	132,984	\$143,086	\$175,238	—	—	—	—	—
35 – 39	343	3	66	166	104	4	—	—	—	—
	142,601	83,602	136,423	146,843	139,459	\$194,439	—	—	—	—
40 – 44	698	4	49	205	320	117	3	—	—	—
	139,687	100,580	124,280	136,518	143,715	141,643	\$154,036	—	—	—
45 – 49	879	7	29	130	296	355	60	2	—	—
	132,353	95,106	120,968	127,906	129,883	136,748	136,443	\$179,895	—	—
50 – 54	1,123	6	36	119	253	336	186	176	11	—
	130,736	92,485	111,196	116,026	122,717	124,541	141,978	153,839	\$188,591	—
55 – 59	1,141	1	23	81	189	238	175	301	129	4
	136,430	64,264	115,514	125,465	119,020	124,399	139,227	153,501	151,659	\$137,291
60 – 64	793	2	11	61	131	164	102	146	134	42
	129,141	63,851	102,241	120,131	112,654	120,468	127,413	133,683	151,544	154,611
65 – 69	304	1	6	23	40	74	39	61	33	27
	117,015	71,543	96,659	117,848	104,172	113,142	122,270	128,054	118,224	118,151
70 & over	120	3	—	9	20	30	7	17	11	23
	112,104	62,792	—	94,300	104,898	109,592	110,353	116,038	134,838	121,796
<b>Total</b>	<b>5,510</b>	<b>29</b>	<b>292</b>	<b>826</b>	<b>1,356</b>	<b>1,318</b>	<b>572</b>	<b>703</b>	<b>318</b>	<b>96</b>
	\$132,764	\$86,035	\$125,184	\$131,266	\$128,340	\$128,046	\$136,291	\$146,431	\$148,837	\$135,773





**WATER AND POWER  
EMPLOYEES' RETIREMENT PLAN**

# Questions?

<https://retirement.ladwp.com>

John Ferraro Building, **Room 357**

Monday thru Thursday

7am to 3pm

(213) 367-1715