

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSI FI CATI ON UI
	CORRESPONDENCE SYMBOL OUI /DUI O
	DATE February 2, 2011

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 08-11

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: 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's information on the subject.
2. **Background.** The military COLA is based on the previous year's Consumer Price Index (CPI). Since the CPI for the third quarter of calendar year 2010 did not exceed that for the last base quarter (third quarter of calendar year 2008), there will be no COLA (i.e., 0.0 percent) increase for retirees in 2011, as was the case in 2010.
3. **COLA for Military Retired Pay.** The COLA for 2011 will not increase for those individuals who first became a member of a uniformed service before, on, or after September 8, 1980. See the attachment to this UIPL.
4. **Instructions.** States with laws that require a reduction of the unemployment insurance (UI) weekly benefit amount by the prorated weekly amount of retired pay and pensions should ensure the UI system is programmed to address no COLA increases for 2011.
5. **Action Requested.** State Administrators are requested to provide this advisory and its attachment to appropriate staff.
6. **Inquiries.** Please direct all inquiries to the appropriate Regional Office.
7. **Attachment.** Adjustment to Retired/Retainer Pay, Survivor Annuities and Premiums, Effective December 1, 2010.

RESCI SSI ONS None	EXPIRATION DATE February 2, 2012
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**ADJUSTMENTS TO RETIRED/RETAINER PAY,
SURVIVOR ANNUITIES AND PREMIUMS
EFFECTIVE DECEMBER 1, 2010**

The following Cost-of-Living Adjustments (COLAs) are effective December 1, 2010, based on the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter 2008 through the third quarter 2010. The term “retired pay” includes retainer pay and the term “members” includes former members.

COLAs for Retired Pay

1. The retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980, is specified according to 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, 2010	0.0 percent	1401a(b)(2)
January 1 – December 31, 2010	0.0 percent	1401a(c) & 1401a(f)

2. The retired pay COLA for those who first became a member of a Uniformed Service on or after September 8, 1980, is specified according to 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, 2010	0.0 percent	1401a(b)(2)
January 1 – March 31, 2010	0.0 percent	1401a(d) & 1401a(f)
April 1 – June 30, 2010	0.0 percent	1401a(d) & 1401a(f)
July 1 – September 30, 2010	0.0 percent	1401a(d) & 1401a(f)
October 1 – December 31, 2010	0.0 percent	1401a(d) & 1401a(f)

3. The retired pay COLA for those who first became a member of a Uniformed Service on or after August 1, 1986, and also elected to receive a career status bonus under the provisions of section 354 of title 37 United States Code is specified according to the date of their retirement, as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2010	0.0 percent	1401a(e)
January 1 – March 31, 2010	0.0 percent	1401a(e) & 1401a(f)
April 1 – June 30, 2010	0.0 percent	1401a(e) & 1401a(f)
July 1 – September 30, 2010	0.0 percent	1401a(e) & 1401a(f)
October 1 – December 31, 2010	0.0 percent	1401a(e) & 1401a(f)

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COLAs for Survivor Annuities

4. Retired Serviceman's Family Protection Plan annuities under the provisions of subchapter 1 of chapter 73, title 10, United States Code, to the spouse or child of a member who died on or before March 20, 1974 will **NOT** be increased. (authority: 10 U.S.C. 1434 (e)).
5. Annuities under the Survivor Benefit Plan (SBP) and Reserve Component Survivor Benefit Plan (RCSBP) under the provisions of subchapter 11 of chapter 73, title 10, United States Code; will **NOT** be increased. (authority: 10 U.S.C. 1451 (g)).
6. COLAs for supplemental annuities paid to certain low income widows of members who were deceased before November 1, 1953 will **NOT** be increased. (authority: section 653(c). Public Law 100-456).
7. Annuities for Certain Military Surviving Spouses (ACMSS) payable monthly under the provisions of section 644, Public Law 105-85, November 18, 1997, will **NOT** be increased and thus will remain \$229.89. (authority: Public Law 105-85, sec 644).

Increase in the SBP Low-Cost Premium Threshold

8. Amounts with respect to which the 2.5 percent factor of SBP premium (cost) formula apply for members who initially participated in the plan on or before December 1, 2010, will **NOT** be adjusted. (authority: 10 U.S.C. 1452(a)(4)(B)).
9. The amount with respect to which the 2.5 percent factor of the SBP premium (cost) formula applies for members who initially participate in the plan on or after January 1, 2011 will be issued upon enactment of legislation establishing the 2011 military pay raise. (authority: 10 U.S.C. 1452(a)4(A)).