

Good News!

COST-OF-LIVING ADJUSTMENT (COLA) APPROVED FOR 2025

April Allowance Will Reflect Your Plan's Maximum COLA Adjustment

LACERA

On February 5, 2025, the Board of Retirement approved a 3.5 percent cost-of-living adjustment (COLA) award for retirees and eligible payees. All retirees and eligible payees will receive the maximum allowable COLA under their plans, with the following increase reflected in your April 30 benefit payment as applicable: **+3.0 percent for Plan A; +2.0 percent for Plans B, C, D, and PEPRAs C and G; and up to +2.0 percent for Plan E.**

The increase is based on the CPI change in the cost of living from December 2023 to December 2024, as reflected in the Bureau of Labor Statistics Consumer Price Index (CPI) for all urban consumers in the Los Angeles–Long Beach–Anaheim metro area, which was 3.4 percent. When rounded to the nearest one-half percent, as prescribed by law, the resulting COLA award is a 3.5 percent increase. The rounded COLA percentage is used to determine and apply the COLA award under each plan. The CPI change determines the amounts added to the COLA Accumulation balances.

ABOUT THE COLA ACCUMULATION

If the CPI percentage change exceeds the maximum allowable amount, under the provisions of LACERA retirement plans, the excess percentage amount is accumulated to supplement future COLA benefits. The longer you have been retired or receiving a survivor's allowance, the higher your COLA Accumulation balance may have reached. In years when the COLA award is below the plan maximum, LACERA deducts amounts from the COLA Accumulation to fund the maximum increase allowable under each plan. ►

Since this year's change exceeds the 3.0 percent maximum allowed in Plans A and the 2.0 percent maximum for all other plans, the corresponding excess CPI percentage for each plan is added to the COLA Accumulation (0.4 percent for Plan A; 1.4 percent for all other plans).



VIEW THE COLA ACCUMULATION CHART

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2025 COLA: Effects on All LACERA Plans

Retirement Plan	Consumer Price Index Increase 12/2023 to 12/2024	2025 COLA Adjustment (Maximum Allowed)	Excess Added to COLA Accumulation
Plan A	3.4%	3.0%	0.4%
Plans B, C, and D, and PEPPRA Plans C and G	3.4%	2.0%	1.4%
Plan E*	3.4%	Up to 2.0%	1.4%

**Plan E COLA increases apply only to service credit earned after June 4, 2002, and any purchased Plan E Elective COLA. Plan E members who retired after June 4, 2002, will receive up to a 2.0 percent COLA increase. The portion of the 2.0 percent COLA is based upon a ratio of the months of service earned after June 4, 2002, plus any purchased Plan E Elective COLA, divided by the total months of service.*



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