

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U. S. Department of Labor Washington, D.C. 20210	CLASSIFICATION OWS
	CORRESPONDENCE SYMBOL UI/DUIO
	January 4, 2007

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 5-07

TO: STATE WORKFORCE AGENCIES

FROM: EMILY STOVER DeROCCO
Assistant Secretary



SUBJECT: Increase in Social Security Annuities and Federal Civilian Pensions

1. Purpose. To ensure that State Workforce Agencies are aware of the increases in social security survivors and old age retirement annuities and Federal civilian pensions due to the annual cost of living adjustment (COLA).
2. Background. The 2006 COLA for social security survivors and old age retirement annuities and Federal civilian pensions was made effective December 1, 2006. The percent of increase will be included in the benefit payment beginning January 2, 2007. (See Federal Register, Vol. 71, No. 207, October 26, 2006, Notices 62636-62642).

Federal civilian retirees who received benefits for at least one year under the Civil Service Retirement System (CSRS) and the Organization Retirement and Disability System (ORDS) will receive a 3.3 percent COLA increase, and Federal civilian retirees who received benefits for at least one year under the Federal Employees' Retirement System (FERS) will receive a COLA increase of 2.3 percent. Both CSRS and FERS COLA increases were effective December 1, 2006, and will be paid in the January 2, 2007, annuity check.

3. Action Required. State Administrators should provide this information to appropriate staff.

RESCISSIONS None	EXPIRATION DATE January 4, 2008
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4. Inquiries. Direct inquiries to the appropriate Regional Office.
5. Attachment. Cost of Living Annuity Adjustment Percentages Schedule

The COLA of Federal civilian retirement annuities is prorated as follows:

Amount of Percentage Increase

CIVILIAN ANNUITIES BEGAN	CSRS/ ORDS	CIVILIAN ANNUITIES BEGAN	FERS
December 2005	3.3%	December 2005	2.3%
January 2006	3.1%	January 2006	2.1%
February 2006	2.8%	February 2006	1.9%
March 2006	2.5%	March 2006	1.7%
April 2006	2.2%	April 2006	1.5%
May 2006	2.0%	May 2006	1.3%
June 2006	1.7%	June 2006	1.1%
July 2006	1.4%	July 2006	1.0%
August 2006	1.1%	August 2006	0.8%
September 2006	0.8%	September 2006	0.6%
October 2006	0.6%	October 2006	0.4%
November 2006	0.3%	November 2006	0.2%

States with laws that provide for reduction of the weekly unemployment insurance benefit amount by the prorated weekly amount of retirement pay and pensions should review claimant records to identify those who are affected by these COLA increases. States should take action to make the appropriate deductions as required by state law based on the increased retirement or annuities amount in accordance with their state law.

Additional information about the 2007 annuity increases may be found on the Office of Personnel Management (OPM) web site, when it is posted in January, 2007. The web address is: <http://www.opm.gov/retire/html/faqs/2007cola.asp>.

Additional information about the 2007 Social Security COLA can be found at: <http://www.ssa.gov/pressoffice/pr/2007cola-pr.htm>.

Note: Federal Employees Retirement System (FERS) and FERS Special Cost-of-Living Adjustments are not provided until age 62, except for disability, survivor benefits, and other special provision retirements.