

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL DUIO/OUI
	DATE January 3, 2017

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 8-17

TO: STATE WORKFORCE AGENCIES

FROM: PORTIA WU /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) provided by the Department of Defense.

2. Background. The military COLA is based on the previous year's Consumer Price Index (CPI). Military COLA increases became effective December 1, 2016. Military retired pay, by law, is always rounded down to the next lower dollar amount. The term "retired pay" includes retainer pay and the term "member" includes former members of the Uniformed Services.

3. COLA for Retired Pay. Based on the increase in the CPI, there are COLA adjustments for retired pay, survivor annuities, and Survivor Benefit Plan premiums effective **December 1, 2016** (see attached). For more information on COLAs for the different retirees, visit the Department of Defense website at:

<https://www.dfas.mil/retiredmilitary/newsevents/newsletter/2017costoflivingadjustment.html>.

4. Instructions. States with laws that require a reduction of the unemployment insurance weekly benefit amount by the prorated weekly amount of retired pay and pensions should identify claimants affected by the COLA increases and make the appropriate reductions as required by state law.

5. Action Requested. State Administrators are requested to provide the above information and 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, 2016.

RESCISSIONS None	EXPIRATION DATE January 1, 2018
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