

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL OUI/DUIO
	DATE January 11, 2012

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 07-12

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) provided by the Department of Defense.

2. Background. The military COLA is based on the previous year's Consumer Price Index. Military COLA increases will be effective December 1, 2011. 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.

3. COLA for Retired Pay. The COLA for 2012 will increase for those individuals who first became a member of a uniformed service before, on, or after September 8, 1980. Please see attachment for detailed information.

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, 2011.

RESCISSIONS None	EXPIRATION DATE January 1, 2013
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