

Cost-of-Living Adjustments

1 What is the cost-of-living adjustment, or COLA?

A COLA is an increase in benefits for eligible retirees to help maintain the purchasing power of benefits if consumer prices increase. The COLA has been part of the System Rules since 1968.

2 Who is eligible for a cost-of-living adjustment, or COLA?

If you first became a TVARS member before 07/01/2014 and elect a continuing monthly benefit, you are eligible for a COLA based on the following criteria:

- If you retired prior to 01/01/2010, you are eligible to receive any COLA the January after reaching age 55.
- If you retired on or after 01/01/2010 and were age 50 or older as of 10/01/2016, you are eligible to receive any COLA the January after reaching actual age 60.
- If you retired on or after 01/01/2010 and were under age 50 as of 10/01/2016, you are eligible to receive any COLA the January after reaching actual age 65.

3 What is the Consumer Price Index, or CPI?

The CPI is a tool that measures the average change of prices in consumer goods and services over a period of time. The U.S. Bureau of Labor Statistics maintains several CPIs reflecting different consumer groups. The CPI to which the TVARS COLA is tied is the CPI for All Urban Consumers (CPI-U).

4 How is the COLA calculated?

A COLA is applied whenever the 12-month average of the CPI-U for any year exceeds by as much as one percent the average for the prior year for which an adjustment was made and then is equal to the change in CPI-U minus 0.25%. The maximum COLA is 6%.

5 What benefits are subject to the TVARS COLA?

Eligible retirees may receive COLAs on the pension benefit portion of their monthly retirement benefit as determined in accordance with the System Rules. The supplemental benefit may also receive COLAs until it reaches the maximum as specified in the Rules.

6 What month is the COLA applied for eligible retirees?

The COLA is applied to the January 31 payment.

7 What are the historical COLAs for the last 30 years?

1992	4.77%	2007	3.43%
1993	3.03%	2008	2.53%
1994	3.00%	2009	4.45%
1995	2.62%	2010	0.00%
1996	2.82%	2011	1.15%
1997	2.82%	2012	0.00%
1998	2.58%	2013	2.30%
1999	1.59%	2014	1.53%
2000	2.01%	2015	1.68%
2001	3.24%	2016	0.00%
2002	3.11%	2017	.99%
2003	1.49%	2018	1.84%
2004	2.36%	2019	2.21%
2005	2.42%	2020	1.54%
2006	3.37%	2021	1.13%

Should there be any conflict between the information in this document and the provisions of the various plans, the plan provisions and not this document shall be controlling.

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