




STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
10th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

Memorandum

To: Members of the TCRS Board of Trustees

From: Jill Bachus 

Date: January 30, 2009

Subject: Cost of Living Adjustment (COLA)

As you are aware, TCRS members retired at least 12 months from July 1 are entitled to annual cost of living adjustments (COLA) in July of each year. Tennessee Code Annotated, 8-36-801 dictates the COLA award. Basically, the change in the Consumer Price Index (CPI) for the previous calendar year, as determined by the U.S. Department of Labor is awarded as COLA up to a maximum of 3%. However, if the CPI increase is less than 0.5% for the year, no COLA will be awarded. When the CPI is between 0.5% and 1% for the year, a full 1% COLA is granted.

Although the CPI fluctuated throughout the year, the change in CPI for the period December 31, 2007 compared to December 31, 2008 was only 0.1%. As a result, no COLA will be awarded to TCRS retirees in July 2009.

If you have any questions, please feel free to contact me at (615) 741-7063.