



# CIVIL SERVICE COLA HISTORY

Until 1962, federal law did not provide for automatic cost-of-living adjustments (COLAs) to civil service annuities. However, Congress provided occasional annuity increases to reflect changes in economic conditions. Laws that increased annuities prior to 1962 are:

<u>ACT</u>	<u>DATE OF ENACTMENT</u>	<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
<b>P.L. 80-462</b>	2/28/48	4/1/48	25.0%
<b>P.L. 82-555</b>	7/16/52	9/1/52	25.0%
<b>P.L. 84-369</b>	8/11/55	10/1/55	12.0%
<b>P.L. 85-465</b>	6/25/58	9/1/58	10.0%

**P.L. 87-793** (enacted and effective October 11, 1962) established a 5 percent increase in all annuities, and established an automatic annuity increase effective April 1 of each year if the Consumer Price Index (CPI) rose at least 3 percent during the previous calendar year. No COLAs were triggered because the CPI never rose above 3 percent.

**P.L. 89-205** (enacted September 27, 1965, effective December 1, 1965) provided an increase of 6.1 percent for all post-October 2, 1956, retirees; 11.1 percent for those who retired before October 2, 1956; and amended P.L. 87-793 to establish a permanent and automatic COLA formula based on a more sensitive Consumer Price Index gain, so that if the CPI increased by 3 percent, then held or continued to increase during the next three months, the highest percentage reached would become effective as a COLA on the first day of the third month following the three month holding period.

January 1, 1967, the first automatic adjustment based on the above formula became effective. Under that law, the following increases occurred:

<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
01/01/67	3.9%
05/01/68	3.9%
03/01/69	3.9%

**P.L. 91-93** (enacted and effective October 20, 1969) amended the law to add an additional 1 percent to each COLA to compensate for the 5-month period, which elapsed between the month in which the COLA was triggered and the month in which it was reflected in annuity checks. Under that provision, the following increases occurred:

<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
11/01/69	5.0%
08/01/70	5.6%
06/01/71	4.5%
07/01/72	4.8%

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07/01/73	6.1%
01/01/74	5.5%
07/01/74	6.4%
01/01/75	7.4%
08/01/75	5.1%
03/01/76	5.4%

**P.L. 94-440** (enacted and effective October 1, 1976) eliminated the 1 percent add-on and a new formula was enacted. The new law provided for a semi-annual adjustment (each March and September) based on the actual percentage increase in the CPI over a previous six-month period. That formula produced the following increases:

<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
03/01/77	4.3%
09/01/77	2.4%
03/01/78	4.9%
09/01/78	3.9%
03/01/79	6.9%
09/01/79	6.0%
03/01/80	7.7%
09/01/80	4.4%
03/01/81	4.8%

**P.L. 97-35** (enacted and effective August 13, 1981) eliminated the twice-a-year COLA and replaced it with an annual adjustment to be effective each March 1, and reflected in annuity checks received each April 1. The amount of that adjustment was to be determined by the percentage change in the CPI-W during the preceding calendar year. Under that Act, the following increase occurred:

<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
03/01/82	8.7%

**P.L.97-253** (enacted and effective September 8, 1982) the effective date of the COLA was delayed for one additional month in each of the next three fiscal years (1983, 1984 and 1985), therefore being effective as follows: April 1, 1983, May 1, 1984, and June 1, 1985. The adjustments were to be determined as in the past. And, as a result of the same law, COLAs for retiree annuitants under age 62 were to be awarded at one half the amount of the projected CPI-W, for each of the next three fiscal years, (at 3.3% in 1983, 3.6% in 1984, and 3.3% in 1985). Under that Act, the following increase occurred:

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<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
04/01/83	3.9%
(Under 62)	3.3%

**P.L. 98-270** (enacted and effective April 18, 1984) delayed the cost-of-living adjustment scheduled to be effective May 1, 1984, for seven months, setting the next COLA effective date as December 1, 1984, with the payment reflected in annuity checks received January 1, 1985. This new law set the December 1 effective date for all future COLAs, and provided for a change in the period used for computing them from a calendar year basis to an average third-quarter basis. This shift in the period of time used for measuring inflation resulted in a once and permanent loss of 2.6 percent which occurred during the first 7 months of 1983:

<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
12/01/84	3.5%
12/01/85	3.1%*
12/01/86	1.3%
12/01/87	4.2%
12/01/88	4.0%
12/01/89	4.7%
12/01/90	5.4%
12/01/91	3.7%
12/01/92	3.0%

\*Permanently denied by Gramm-Rudman-Hollings sequestration order.

**P.L. 103-66** (enacted and effective August 10, 1993) delayed the effective date of the COLA for three months, from December 1 to March 1 in 1994, 1995 and 1996. The provisions of this Act changed neither the time period nor the formula used for computing civil service COLAs, only the effective date:

<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
03/01/94	2.6%
03/01/95	2.8%
03/01/96	2.6%

Both the FY96 and FY97 Budgets proposed continuing the 3-month COLA delay through 2002, but legislation to affect further delay was not enacted, and the COLA returned to a December effective date. Since that time, the following increases occurred:

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<u>EFFECTIVE DATE</u>	<u>PERCENT INCREASE</u>
12/01/96	2.9%
12/01/97	2.1%
12/01/98	1.3%
12/01/99	2.5%
12/01/00	3.5%
12/01/01	2.6%
12/01/02	1.4%
12/01/03	2.1%
12/01/04	2.7%
12/01/05	4.1%
12/01/06	3.3%
12/01/07	2.3%
12/01/08	5.8%
12/01/09	0.0%
12/01/10	0.0%
12/01/11	3.6%
12/01/12	1.7%
12/01/13	1.5%
12/01/14	1.7%
12/01/15	0.0%
12/01/16	0.3%
12/01/17	2.0%
12/01/18	2.8%

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