

## **Manchester Employees' Contributory Retirement System (MECRS)**

### **COLA Notification for 2010**

Retirees of the MECRS will not receive a Cost of Living Adjustment, (COLA) on their defined benefit in 2010 to compensate for inflation in 2009. A complex combination of laws and rules exist to guide the Plan's Trustees through the decision making process where the granting of COLA is concerned. Despite mildly inflationary US Labor Department statistics for 2009 which the Trustees took into consideration, none of the earnings criterion necessary to pay for a COLA was present.

Ordinarily, COLAs are voted upon in the spring after inflation data becomes available for the preceding year and then any COLA's decided upon become effective in July. After reviewing inflation factors obtained from the US Labor Department for 2009 and paying careful attention to the falling funded ratio of the plan reported by the actuary in March, a sub-committee of the board recommended foregoing the award of any cost of living for a second year in a row.

Upon receiving the recommendation of the sub-committee, the full board voted five to one to accept the committee's recommendation. As a result, there will be no retiree COLA on the defined benefit annuities paid by the plan.

Further questions on the COLA process should be addressed to Gerard Fleury, Executive Director by email at [Gfleury@ManchesterRetirement.org](mailto:Gfleury@ManchesterRetirement.org) or by phone on Monday through Friday between 8 am and 4 pm at 624-6506.