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| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION UI/UCX |
| | CORRESPONDENCE SYMBOL OUI/DUIO |
| | DATE February 20, 2013 |

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 11-13

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Federal Military Pensions

1. **Purpose.** To ensure states 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 (CPI). Military COLA increases are effective December 1, 2012. Military retired pay, by law, is always rounded down to the next lower dollar amount. The term "retired pay" includes retainer pay.
3. **COLA for Retired Pay.** Based on the increase in the CPI, there are COLA adjustments for retired pay and Survivor Benefit Plan annuities effective December 1, 2012 (see attached). For more information on COLAs for the different types of retirees, visit the Department of Defense Web site at:
<http://www.dfas.mil/retiredmilitary/newsevents/newsletter/costoflivingadjustment.html>
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.** Fiscal Year 2013 Adjustments to Retired/Retainer Pay, Survivor Annuities and Premiums.

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| RESCISSIONS None | EXPIRATION DATE January 1, 2014 |
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