

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	<b>CLASSIFICATION</b> UI
	<b>CORRESPONDENCE SYMBOL</b> DUI O/OUI
	<b>DATE</b> December 31, 2015

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 5-16

**TO:** STATE WORKFORCE AGENCIES

**FROM:** ERIC SELEZNOW /s/ for PORTIA WU  
Assistant Secretary

**SUBJECT:** Federal Military Pensions

**1. Purpose.** To ensure State Workforce Agencies are aware of the Federal military retired pay annual cost of living adjustment (COLA) and to provide the Department of Defense Web site where the COLA information is located.

**2. Background.** COLAs are determined by the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI-W). It is based on the percentage increase of the CPI-W from the 3rd quarter of the previous year versus the current year's 3rd quarter (July, August, and September). Military retired pay, by law, is always rounded down to the next lower dollar amount. The term "retired pay" includes retainer pay and the term "member" includes former members.

**3. COLA for Retired Pay.** Based on the CPI-W there will be no increase in the COLA to Federal civilian and military retirement annuities in 2016 due to a negative inflation rate. Retirees and annuitants will not see a change to their payments for the 2016 calendar year. The attachment specifies the COLA(s) for retired and retainer pay, survivor annuities, and premium determinations effective December 1, 2015. For more information on the COLA(s) for the different retirees, visit the Department of Defense website at: <http://www.dfas.mil/retiredmilitary/newsevents/newsletter/Cost-of-Living-Adjustment-for-2016.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.** Adjustment to Retired/Retainer Pay, Survivor Annuities and Premiums, Effective December 1, 2015.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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