

Example of Differences in COLA Methodology	
	Current Law: Statutory Max Applies to the Net Percentage Change in CPI
Year Over Year Net CPI Change (FY 22)	7.60%
Apply 5% Statutory Max to Net CPI Change	5.00%
VSTRS COLA formula (50% of Net CPI Change) – CY 23 COLA	2.50%
	Pre-2016 Law: Statutory Max Applies to the COLA
Year Over Year Net CPI Change (FY 22)	7.60%
VSTRS COLA formula (50% of Net CPI Change)	3.80%
Apply 5% Statutory Max to COLA	3.80%