

# EXAMPLE

Ref #: 0000/0962/EA  
JOHN DOE

## Your New Gross Benefit Amount

On June 9, 2014 Governor Quinn signed Senate Bill 1922 into law which is now Public Act 98-0641. The law changes the calculation of the annual increase (commonly referred to as COLA) and specified the years (2017, 2019 and 2025) where no annual increase will be received. These changes apply to you even if you were already on annuity when the law passed. By law, the annual increase will be:

- Calculated using the lesser of 3% or 1/2 of the annual unadjusted percentage increase in the Consumer Price Index-Urban (CPI-U). Based on the CPI-U published by the Illinois Department of Insurance, the unadjusted percentage increase for the past 12 months ending September 30, 2014 was 1.7%. 1/2 of 1.7% or **0.85% will be the increase for qualified members for 2015.**
- The increase is based on simple interest.
- Your 2014 gross annuity will be used as the Base Annuity for purposes of calculating any annual adjustment.
- The annual increase for years following will also be calculated using the Base Annuity, which is your 2014 gross annuity (except for 2017, 2019 and 2025 where no annual increase will be received in accordance with the law).
- The annual increase will appear in checks paid at the beginning of January.

If your gross annual annuity is less than \$22,000, your annual increase will be at least 1% of your Base Annuity when eligible. Also, if your annual gross remains less than \$22,000, you will receive an annual increase in annuity of 1% of your Base Annuity in 2017, 2019, and 2025.

## How Much Is My New Monthly Gross?

1	Your monthly gross (before deductions) as of December 2014		<b>\$3,450.73</b>
2a	Your fixed Base Annuity (2014 gross) for calculating annual increase	<b>\$3,450.73</b>	
2b	Annual Increase Percentage applied	<b>0.85%</b>	
2c	Your Annual Increase for 2015 (Line 2a multiplied by 2b)		<b>\$29.33</b>
3	Your new monthly gross (before deductions) beginning January 2015		<b>\$3,480.06</b>

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