

TRS 2020 COLA

Frequently Asked Questions:

1. What is a COLA and why am I getting one?

The term “COLA” for a pension plan means a “Cost of Living Adjustment.” It is an increase in your monthly pension benefit. We all know that costs for health care, food, fuel and other necessities of life, increase over time. Many public pensions around the U.S. provide some type of COLA. COLAs under current Oklahoma law can only be given by passing a bill that provides for one. The COLA in 2020 was authorized in HB 3350 passed by the Legislature this legislative session, and was signed into law by the Governor on May 21, 2020.

2. Which retirement date qualifies me for the 2% increase?

People retired on 8/1/2015 through and including 7/1/2018, will receive 2% since that is 24 to 59 months of being retired through June 30, 2020.

3. Which retirement date qualifies me for the 4% increase?

People retired on or before 7/1/2015 will receive 4% since that is 5 or more years (at least 60 months) of being retired from July 1, 2020.

4. When will this be in my benefit payment?

Retirement benefit payments are made in arrears on the first of the next month. Normally the July benefit payment would be made on August 1. However, since August 1, 2020 falls on a weekend, the pay date for the first benefit with the COLA will be July 31, 2020.

5. Are surviving joint annuitants of TRS retirees eligible for the COLA?

Yes. The eligibility for a COLA still depends on when the member retired, but current joint annuitants will receive the applicable COLA percentage. In addition, the increased benefit to a TRS retiree now, will raise the future benefit of the surviving joint annuitant when the TRS member dies.

6. What is the definition of "has been retired"?

This means a period of time when a retired member was receiving a monthly benefit and had not suspended his or her retirement benefit to return to work as an active, contributing member. This is different than post-retirement employment, where the retiree continues receiving a benefit subject to applicable salary limitations set by law. If a member worked post-retirement without switching to active contributing status, the time spent working does not reduce the amount of time you have been considered retired.

7. How does suspending retirement, returning to employment and making contributions again, affect my eligibility for a COLA?

The number of months a member returns to work as a contributing member results in a reduction of the time period required to remain retired. This could potentially reduce the required periods of being retired to change your eligibility from a higher tier to a lower tier.

Example 1: If you retired 26 months ago, and during that time you suspended your retirement benefit to return to work for 3 months, you have only been retired for 23 months and do not qualify for an increase.

Example 2: If you retired 68 months ago, and during that time you suspended your retirement benefit to return to work for 9 months, you have been retired for 59 months and are in the 2nd tier of being retired between 2 to 5 years and qualify for a 2% increase.

8. Are Alternate Payees with a Qualified Distribution Order eligible to receive the COLA?

It depends. Alternate Payees' eligibility for the COLA will be reviewed on a case by case basis.