



Title TBD: TBD
Chapter TBD: TBD
Article TBD: Automatic Annual Increase to Pension

Title. Chapter/Art and Section Definitions

For the purposes of this Article, the following definitions apply.

- (a) “CPI-U” shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the U.S. Department of Labor.
- (b) “Tier I Member” [RESERVED]
- (c) “Tier II Member” [RESERVED]

Title. Chapter/Art and Section Increases to Base Pension

A Tier I Member’s “base pension” is the service retirement or disability retirement pension payable upon the Member’s retirement. Increases to the base pension shall be paid in accordance with this Rule.

Title. Chapter/Art and Section Initial Increase

After the first twelve months of retirement, a Tier I Member’s base pension shall be increased by the automatic annual increase of 3% (the “AAI”), subject to the following conditions:

- (1) If a Member has reached 60 years of age prior to the date of retirement, the automatic increase shall begin in January of the year following the first anniversary of the Member’s retirement. At that time, the Fund will also pay the AAI for the months between the first anniversary of retirement and the January in which the AAI is first applied.

For example, if a Member over 60 retired on June 30, 2017, the AAI is applied in January, 2019, and the AAI shall be applied retroactively for the 6 month period July 1, 2018, through December 2018.

- (2) If a Member has not reached 60 years of age prior to the date of retirement, the AAI shall begin in January of the year following the Member’s 61st birthday. At that time, the Fund will also pay the AAI for the months between the 61st birthday and the January in which the AAI is first applied.

For example, if a Member retires on June 30, 2017, but does not reach 61 years of age until August 1, 2019, the AAI shall be applied in January, 2020, and applied retroactively for the period August 1, 2019, the date the Member reached 61 years of age, through December 2019.

Title. Chapter/Art and Section Subsequent Increases

For all subsequent years, the AAI shall be applied to the Member’s base pension each January.

For these subsequent years, the term “base pension” shall also include all prior AAI.

Title. Chapter/Art and Section Annual Increases for Tier II Members

A Tier II Member’s “base pension” is the service retirement or disability retirement pension payable upon the Member’s retirement. Increases to the base pension shall be paid in accordance with the following rules:

- (a) A Tier II Member’s base pension shall be increased by the lesser of:
 - (1) 3% of the base pension; or
 - (2) one-half (1/2) of the annual, unadjusted percentage increase in the CPI-U for the 12 months ending with the September preceding each November 1.
- (b) In no event shall the increase be a negative percentage.
- (c) A Tier II Member’s pension shall be first increased on the January 1 occurring on or after the later of the following dates:
 - (1) the date the New Member reaches age 67; or
 - (2) the first anniversary of the Member’s retirement.
- (d) Subsequent increases shall be applied to the Tier II Member’s base pension each January 1. For these subsequent years, the term “base pension” shall not include all prior AAI.

Title. Chapter/Art and Section No Application Required

All increases shall be applied automatically; a Member is not required to apply in writing or to otherwise elect to receive the increase to base pension.