

National Association of Letter Carriers

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Memorandum

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July 13, 2022

Contract COLA: Accumulated COLA is \$2,517 through July 2022

The projected accumulation toward the sixth regular COLA under the 2019-2023 National Agreement stood at \$2,517 annually in July following the release of the June 2022 Consumer Price Index.

On July 13, 2022, the Bureau of Labor Statistics announced that the CPI for Urban Wage Earners and Clerical Workers (CPI-W, 1967=100) stood at 871.393 in June, 126.017 points above the base level of 745.376 in July 2019. The accumulated COLA through July stood at 121 cents per hour or \$2,517 annually.

The sixth COLA will be based on the increase in the CPI-W between the base index month and July 2022, less any previously calculated COLAs, and will be payable the second full pay period following the release of the July 2022 index. The five COLAs that have been calculated under the 2019-2023 National Agreement, totaling 194 cents per hour, are as follows: 1st COLA, 8 cents per hour (\$166 annually), 2nd COLA, 9 cents per hour (\$188 annually), 3rd COLA, 20 cents per hour (\$416 annually), the 4th COLA, 93 cents per hour (\$1,934 annually), and the fifth COLA, 64 cents per hour (\$1,331 annually).

2023 Retiree COLAs Projection: 9.0% as of July 2022

The 2023 COLAs for CSRS and FERS benefits are based on the increase in the average CPI-W between the 3rd quarter of 2021 (268.421) and the 3rd quarter of 2022 (TBA).

Based on the June 2022 CPI-W (1982-84) of 292.542 the 2023 CSRS and FERS COLAs are currently projected to be 9.0%. The 2023 retiree COLA calculation will be finalized in October 2022 with the release of the CPI-W for September 2022.

CSRS annuities receive full COLAs; COLAs for FERS annuities are payable for retirees 62 and older and may be reduced by up to one percentage point from the increase in the CPI.

2023 FECA COLA Projection: 6.8% as of July 2022

Based on the release of the June 2022 CPI-W (1982-84=100), the 2022 FECA COLA projection is 6.8%. The June 2022 CPI-W of 292.542 was 6.8% above the December 2021 base index (273.925). The 2023 FECA COLA calculation will be finalized when the December 2022 CPI-W is published during the month of January 2023.

FECA COLAs are applicable only in cases where death or disability occurred more than one year prior to the adjustment's effective date.