

National Association of Letter Carriers

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Memorandum

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August 10, 2022

6th Contract COLA: \$2,455

The sixth regular COLA under the 2019-2023 National Agreement is \$2,455 following the release of the July 2022 Consumer Price Index.

On August 10, 2022, the Bureau of Labor Statistics announced that the CPI for Urban Wage Earners and Clerical Workers (CPI-W, 1967=100) stood at 870.432 in July, 125.056 points above the base level of 745.376 in July 2019. The 6th COLA stood at 118 cents per hour or \$2,455 annually.

The seventh COLA will be based on the increase in the CPI-W between the base index month and January 2023, less any previously calculated COLAs, and will be payable the second full pay period following the release of the January 2023 index. The six COLAs that have been calculated under the 2019-2023 National Agreement, totaling 312 cents per hour, are as follows: the 1st COLA, 8 cents per hour (\$166 annually), the 2nd COLA, 9 cents per hour (\$188 annually), the 3rd COLA, 20 cents per hour (\$416 annually), the 4th COLA, 93 cents per hour (\$1,934 annually), the 5th COLA, 64 cents per hour (\$1,331 annually), and the 6th COLA, 118 cents per hour (\$2,455 annually).

2023 Retiree COLAs Projection: 8.9% 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 July 2022 CPI-W (1982-84) of 292.219, the 2023 CSRS and FERS COLAs are currently projected to be 8.9%. 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: 6.7% as of July 2022

Based on the release of the July 2022 CPI-W (1982-84=100), the 2022 FECA COLA projection is 6.7%. The July 2022 CPI-W of 292.219 was 6.7% above the December 2021 base index (276.296). 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.