

## CSRS retirees to get 2.3 percent pension increase in 2008

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Retirees in the Civil Service Retirement System will receive a 2.3 percent boost to their pension checks in 2008.

The government unveiled next year's cost-of-living allowance Wednesday. It is based on the change in the Labor Department's Consumer Price Index for urban wage earners from the third quarter of one year to the same quarter of the next.

The 2.3 percent boost is smaller than the 3.3 percent increase for 2007. It also falls below the 2006 increase of 4.1 percent, which was the highest since 1991.

The COLA will not be the same for retirees in the newer Federal Employees Retirement System, who will receive a 2 percent adjustment. FERS retirees also receive Social Security benefits, which are calculated by the change in the CPI (2.3 percent).

FERS retirees only get the cost-of-living allowance if they are at least 62 years old.

CSRS annuitants must have been retired one full year to receive the full COLA. If they do not meet that threshold, they receive prorated annuities, amounting to one-twelfth of the applicable increase for each month they've received their pension.

Jill Crissman, a spokeswoman for the National Active and Retired Federal Employees Association, said Wednesday that the annual COLA is essential to ensuring the income security of federal annuitants. "This year's COLA -- the smallest in four years -- is moderate despite retirees experiencing significant rises in food prices and medical costs," she said.

Federal retirees will receive their first checks reflecting the increase in January 2008.

The 2.3 percent figure does not apply to active federal employees, who receive a pay hike determined by Congress and approved by the president. Lawmakers still are considering a 3.5 percent raise, 0.5 percent above the president's fiscal 2008 budget request.

If civilians get a 3.5 percent raise, the Federal Salary Council recommended it be allocated between an across-the-board boost of at least 2.5 percent and a 1 percent locality pay hike. With a 3 percent raise, the breakdown would be 2.5 percent and 0.5 percent. The Office of Personnel Management has projected locality pay rates based on either scenario.

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