

***Via Electronic Mail***

July 23, 2025

The Board of Trustees
The Police Retirement System of St. Louis
2020 Market Street
St. Louis, Missouri 63103

Re: October 1, 2025 Cost-of-Living Adjustment (COLA)

Dear Board Members:

As requested, we are writing to provide information on the cost-of-living adjustments for retirees and beneficiaries of the Police Retirement System. Per Sections 86.253-3 and 86.283-8 of the Missouri Revised Statutes, these adjustments are effective as of October 1st of each year.

This letter was prepared exclusively for the Police Retirement System of St. Louis for the purpose of determining the October 1, 2025 cost-of-living adjustment for the Police Retirement System members. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

The cost-of-living adjustment is based on the Consumer Price Index City Average (CPI) for the most recent 12-month period for which the index is available. For the 12-month period ending June 2025, this index increased 2.7%.

The adjustment in any one year is limited to 3%, and the cumulative adjustment for any member is limited to 30%. In accordance with past practice, the 30% limit is calculated with respect to the sum of the annual percentage adjustments, not the total compounded adjustment. Because of the 30% limit, there will be no 2025 adjustment for members who retired before October 1, 2007. Members who retired on or after October 1, 2007, but before October 1, 2009 will receive a 0.5% increase. Members who retired on or after October 1, 2009, but before October 1, 2010 will receive a 1.6% increase. Members who retired on or after October 1, 2010, but before October 1, 2021 will receive a 3.0% increase. Members who retired on or after October 1, 2021, but before October 1, 2024 will receive a 2.7% increase.

CPI increases above the 3% annual limit are “banked” for each member and used in years when the CPI increase is less than the 3% limit. In addition, if for any other reason, the increase granted is less than the CPI increase, that difference is also banked. Since the CPI increase of 2.7% is less than the 3.0% limit, members who retired between October 1, 2010 and September 30, 2021 will receive the full 3.0% increase, using part of the banked increase available in order to reach the 3.0% annual cap. The 0.3% additional amount received above the 2.7% CPI increase will be subtracted from their banked increases available for future years. Members who retired between October 1, 2021 and September 30, 2023 will not have any banked increases. Please see the table on the following page for the total banked increases available to members for future increases.

We will follow-up with a preliminary list of all retirees and beneficiaries who will receive a cost-of-living adjustment as of October 1, 2025.

We recommend that the Board approve the following table regarding adjustments to the continuing payments to retired members and beneficiaries, effective October 1, 2025.

Date of Retirement	Number of Increases	Percentage at October 1, 2025	Total Percentage Remaining After 2025 Increase	Total Banked Increase Available for Future Years
10/01/2007 to 09/30/2008	15	0.5%	0.0%	0.0%
10/01/2008 to 09/30/2009	15	0.5%	0.0%	0.0%
10/01/2009 to 09/30/2010	14	1.6%	0.0%	0.0%
10/01/2010 to 09/30/2011	13	3.0%	2.2%	2.2%
10/01/2011 to 09/30/2012	12	3.0%	3.9%	3.9%
10/01/2012 to 09/30/2013	11	3.0%	5.7%	5.7%
10/01/2013 to 09/30/2014	10	3.0%	7.8%	7.8%
10/01/2014 to 09/30/2015	9	3.0%	7.9%	7.9%
10/01/2015 to 09/30/2016	8	3.0%	8.9%	8.8%
10/01/2016 to 09/30/2017	7	3.0%	10.5%	8.8%
10/01/2017 to 09/30/2018	6	3.0%	13.4%	8.8%
10/01/2018 to 09/30/2019	5	3.0%	15.0%	8.8%
10/01/2019 to 09/30/2020	5	3.0%	15.0%	8.2%
10/01/2020 to 09/30/2021	4	3.0%	18.0%	5.8%
10/01/2021 to 09/30/2022	3	2.7%	21.3%	0.0%
10/01/2022 to 09/30/2023	2	2.7%	24.3%	0.0%
10/01/2023 to 09/30/2024	1	2.7%	27.3%	0.0%

In preparing our letter, we relied on information (some oral and some written) supplied by the Police Retirement System staff. This information includes, but is not limited to, the plan provisions and historical COLA information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

This letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices, and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, as well as applicable laws and regulations. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter.

This letter does not address any contractual or legal issues. I am not an attorney, and our firm does not provide any legal services or advice.

Please feel free to call me at (703) 893-1456 extension 1038 should you have any questions.

Sincerely,
Cheiron



Patrick T. Nelson, FSA, CERA, EA, MAAA
Consulting Actuary

cc: Mark Lawson
Kelly Briley
Michael Noble, Cheiron

