

Sec. 24. Benefit Program COLA.

- (1) Subject to section 46, a participating municipality or court, by resolution of its governing body or by administrative order of its chief judge, may adopt a cost of living adjustment (COLA) for retirees and beneficiaries. The participating municipality or court shall specify in the Adoption Agreement:
 - (a) Whether the COLA is a one-time adjustment for current retirees, an annual automatic adjustment for current retirees, or an annual automatic adjustment for future retirees;
 - (b) The retirement allowance commencement date required for eligibility;
 - (c) The amount of the adjustment; and,
 - (d) The period of retirement required for an eligible retiree to qualify for a first adjustment.
- (2) The adjustment date for Benefit Program COLA shall be January 1. The first adjustment date shall be the first January 1 that is at least 30 days after the date of adoption.
- (3) The retirement allowance amount shall be increased on each adjustment date except the adjustment date, if any, that is less than N months after the commencement date of the retirement allowance, where N shall be a whole number of months between 6 and 12, inclusive. The amount of adjustment shall be equal to one of the following:
 - (a) A percentage multiplied by the amount of base retirement allowance. The base amount of retirement allowance is the amount that would be payable if the retirement allowance had never been adjusted under the provisions of COLA.
 - (b) A percentage multiplied by the amount of current retirement allowance.
 - (c) A fixed dollar amount.
- (4) In the case of a beneficiary who is receiving a retirement allowance because of the death of a retiree, "commencement date" as used in this section shall mean the commencement date of the retiree's retirement allowance.
- (5) A participating municipality or court shall not adopt the COLA Benefit Program for retirement allowances payable under the Hybrid Plan.