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## **Newsletter for September 2018**

I have been getting phone calls from people who are worried about their Social Security and Civil Service pensions. They are concerned because President Trump decided not to give pay increases for federal employees after promising he would give 2.2%.

Social Security and Civil Service pensions are protected by law. It is based on the Consumer Price Index (CPI). The CPI is measured for the period of October 1<sup>st</sup> to September 30<sup>th</sup>. It is currently standing at 3% with September still to go. We will know the exact figure on October 15<sup>th</sup>. FERS retired folks must either be disabled or age 62 to receive this COLA.

For FERS, if the COLA is between 2% and 3%, they get 2%. If it is above 3%, they get the CPI minus 1%.

Big changes in Social Security, federal retirement, and civil service salaries may be voted in during September. I doubt the Congress will do anything for fear of losing votes from those affected. However, there is a lame duck session in November and early December.

I will send out special newsletters if something occurs.