DEFINED BENEFIT PLAN

Traditional Pension

DEFINED BENEFIT PLAN - TRADITIONAL PENSION

2026 COST OF LIVING ADJUSTMENT

COLA (COST OF LIVING ADJUSTMENT) APPROVED

Governor and State Legislature Approve Pension Increases for those who retired on or before 7/1/2001

Pension increases for those who retired on or before 7/1/2001, were approved by the Governor and state legislature as part of the commonwealth's fiscal year 2026-27 budget.

To qualify for this COLA, you must have retired on or before 7/1/2001, after reaching your full retirement age/date (Age 60 or 50), or after qualifying for a SERS disability retirement benefit. If you retired before reaching your full retirement age/date but have since reached your full retirement age, you also qualify.

The increases, retroactive to 7/1/2026, range from 15% - 24.5% of your July 2026 gross pension payment, with higher increases for those who have been retired longer, as shown in the following table.

2026 SERS Retiree COLA

(Increase based on July 2026 gross monthly pension payment)

Retirement Date	Percentage Increase
Prior to 7/2/1982	24.5%
7/2/1982 – 7/1/1983	24%
7/2/1983 – 7/1/1984	23.5%
7/2/1984 – 7/1/1985	23%
7/2/1985 – 7/1/1986	22.5%
7/2/1986 – 7/1/1987	22%
7/2/1987 – 7/1/1988	21.5%
7/2/1988 – 7/1/1989	21%
7/2/1989 – 7/1/1990	20.5%
7/2/1990 – 7/1/1991	20%
7/2/1991 – 7/1/1992	19.5%

7/2/1992 – 7/1/1993	19%
7/2/1993 – 7/1/1994	18.5%
7/2/1994 – 7/1/1995	18%
7/2/1995 – 7/1/1996	17.5%
7/2/1996 – 7/1/1997	17%
7/2/1997 – 7/1/1998	16.5%
7/2/1998 – 7/1/1999	16%
7/2/1999 – 7/1/2000	15.5%
7/2/2000 – 7/1/2001	15%

To calculate your COLA increase, take your gross monthly pension amount and multiply it by the percentage increase based on your retirement date, as shown in the chart above. For example: if you retired on July 8, 2000, and receive a gross monthly pension of $1,000, you would see a 15% increase of $150 ($1,000 x .15 = $150).

The monthly lifetime increase will be included in your Sept. 30, 2026, payment. Your retroactive increases for July and August will also be paid no later than Sept. 30, 2026.

We are preparing letters with additional details that will be mailed to all members who qualify for this increase.

Gross monthly benefits are subject to federal income tax. If you have questions about how this additional income will impact your taxes, please contact a qualified tax advisor.

In Pennsylvania, COLAs are not automatically granted. By law, the legislature and Governor must enact legislation granting COLAs. This is the first COLA for SERS retirees since 2002.