



MENDOCINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

MCERA CHANGING REGION FOR COST OF LIVING ADJUSTMENTS

For Immediate Release: January 18, 2017

Ukiah – The Mendocino County Employees Retirement Association (MCERA) decided at its January 18, 2017 Board meeting to adopt the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the Western Region for the granting of its annual Cost of Living Adjustment (COLA) to retirees. Previously, MCERA relied on the CPI-U for the San Francisco-Oakland-San Jose Region in granting the COLA. The change was the result of a recommendation based on economic analysis conducted by James Wilbanks, Ph.D., Retirement Administrator for the Association. The analysis, available [here](#), concludes that the CPI-U for the Western Region is a better fit for the rate of inflation experienced in Mendocino County than the CPI-U for the San Francisco-Oakland-San Jose Area. The Western Region is comprised of thirteen states including: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

“This analysis examined a very specific question,” said MCERA Retirement Administrator James Wilbanks. “Between the Bay Area CPI-U and the Western Region CPI-U, which region better estimates the inflation rate in Mendocino County? Based on three different empirical examinations, the clear and consistent answer is that the Western Region is the better fit for our County.”

The change in region is effective immediately and will impact the COLA for retirees this year. MCERA provides a COLA April 1 to its retirees based on the rate of inflation in the reference region. “Each April we notify our retirees of the specifics of their individual COLA in writing, “, said Wilbanks. ”We want to get the information about this change to our members as soon as possible so they have time to understand the change and what it may mean for them.”

The MCERA is an independent agency that administers retirement assets and provides income security through a monthly retirement benefit payable to its clients, who are employees, retirees and beneficiaries of Mendocino County, the Mendocino County Court System and the Russian River Cemetery District.

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