



Provincial Judges and Masters in Chambers Pension Plan

An Explanation of the COLA Calculation

COLA is a measure of the change in the *Alberta Consumer Price Index (ACPI)* monthly values reported by Statistics Canada. COLA is determined by taking the sum of the 12 most recent *ACPI* values (leading months, ending October 2017) and dividing by the sum of the previous 12 months (trailing months, ending October 2016).

The rate of 1.30 per cent COLA effective January 1, 2018 is calculated as follows:

$$\frac{\text{Total } ACPI \text{ (November 2016 to October 2017)}}{\text{Total } ACPI \text{ (November 2015 to October 2016)}} - 1 \times 100\% = \text{COLA}$$

$$[(1,640.90 / 1,620.30)^* - 1] \times 100\% = 1.30\% \quad \text{January 1, 2018}$$

* Results rounded to three decimal places

Appendix I

Appendix I shows the monthly *ACPI* values in a table along with the corresponding 100 per cent of the monthly year over year percentage changes from November 2015 through October 2017.



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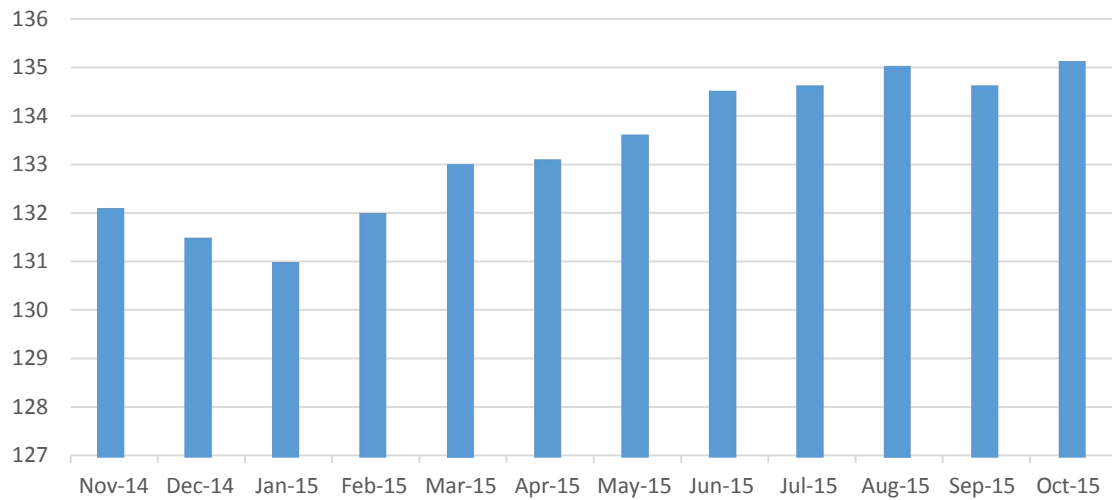
Appendix II

Appendix II displays the changes in the *ACPI* over a two-year period from November 2014 through October 2016.

2016 Indexing Calculation

Total <i>ACPI</i> (Nov. 2014 to Oct. 2015)	1600.10
Total <i>ACPI</i> (Nov. 2015 to Oct. 2016)	1620.30

2014/2015 *ACPI*



2015/2016 *ACPI*

