Subject: Bulletin #25-Tarheel Central Chapter - 9 Oct 2025

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COLA 2026: Final Projection for the Annual Adjustment by: Kevin Lilley

October 06, 2025

Military retirees, Social Security recipients, and others receiving federal funds with a cost-of-living adjustment (COLA) should learn the amount of that increase for 2026 next week … but a look at the figures so far gives a good indication where COLA will end up.

Should inflation trends continue, expect an adjustment between 2.7% and 2.8% for the coming year – outpacing this year's 2.5% figure, but below other recent annual increases of 3.2%, 8.7%, and 5.9%. This projection mirrors others made after the release of August's inflation figures, which showed a 2.8% yearly change in the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W).

One important caveat: The Bureau of Labor Statistics has suspended operations, to include announcements and website updates, during the federal shutdown. The September CPI-W figure -- the final figure required for the 2026 calculations -- would not be announced Oct. 15 as scheduled if the funding lapse continues.

[RELATED: MOAA's COLA Watch Page]

This adjustment preserves the value of uniformed retirement and VA disability pay in the face of inflation. That's why MOAA tracks COLA: It's a key part of ensuring service-earned benefits remain strong … and it has come under significant threat in the past.

There are no current legislative efforts to remove or downgrade the adjustment, but MOAA continues its work to educate lawmakers on the significant impact any such move would have on military retirees. This is especially important as a cost-saving change to COLA calculations regularly appears on the Congressional Budget Office's list of options to reduce federal spending. Such a move may help the government's bottom line, but it would come at the expense of retirees and their families, unfairly weakening their earned benefits.

How Do You Calculate COLA?

July, August, and September CPI-W figures are used to calculate the coming year's COLA through an established formula:

- Find the average CPI-W from those months in the current calendar year.
- Subtract the average CPI-W from those months in the previous calendar year.
- Divide the result by the average CPI-W from those months in the previous calendar year.
- If the result is a negative number, COLA is zero for the year (the benefit does not decrease).

Using last year's calculation as an example: The 2024 three-month average (308.729) minus the 2023 three-month average (301.236) yields 7.493. Divide that by the 2023 average to get 0.0248, and round up for a 2.5% COLA.

The July 2025 figure of 316.349 represented a 2.5% increase from last year's average. CPI-W increased nearly a full point (317.306) in August, but barring an unexpected spike in the September figure, the three-month average should settle between 2.7% and 2.8% above last year.

MOAA will update its COLA Watch page with final figures shortly after their release. Visit MOAA.org/finance for a full slate of financial resources, to include upcoming webinars and member-exclusive publications.

MOAA's Financial Calculators

Whether you're planning for retirement, buying a home, managing your investments, or more, these tools can help you make informed decisions.

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About the Author - Kevin Lilley - Lilley serves as MOAA's digital content manager. His duties include producing, editing, and managing content for a variety of platforms, with a concentration on The MOAA Newsletter and MOAA.org. Follow him on X: @KRLilley

Shutdown Update: MOAA, Fellow Advocacy Groups Join Forces by: Kevin Lilley

October 08, 2025

MOAA joined fellow organizations representing tens of millions of members of the uniformed services community in recent pushes to protect servicemembers and families as the federal funding lapse enters its second week.

The shutdown "has direct and devastating consequences for those who serve and have served, as well as their families," reads an Oct. 3 letter to House and Senate leadership signed by MOAA and nearly two dozen other groups. The letter seeks immediate passage of the Pay Our Troops Act, which would ensure servicemembers receive their compensation while budget negotiations continue. Servicemembers were paid Oct. 1 but would not receive Oct. 15 checks without this legislation or the reopening of the government.

[SHUTDOWN FAQ: Pay and Retirement]

"Regardless of the broader funding debates, the brave men and women of the United States Armed Forces and their families must not suffer because Congress cannot agree on funding the government," the letter reads.

The bipartisan legislation (H.R. 5401) introduced Sept. 16 by Rep. Jen Kiggans (R-Va.) had 122 cosponsors as of Oct. 7. It would secure pay for all uniformed members of the armed services (to include the Coast Guard) along with civilians and contractors supporting those in uniform.

[TAKE ACTION: Urge Your Lawmakers to Pay Servicemembers During a Shutdown]

Why Does MOAA Support the Pay Our Troops Act?

Even though the country is both politically and socially divided, it should be clear that under our nonpartisan approach at MOAA we will, have always, and should always support our uniformed servicemembers, veterans, family members and survivors regardless of what party controls each branch of government. We've been consistent in demonstrating that over the years.

Irrespective of personal feelings or political affiliation, we hope all MOAA members can unite in support of that idea and the need to ensure our servicemembers get paid on Oct. 15 and every pay period after that.

Our current call to action reflects MOAA's nonpartisan mission and long-standing commitment to the well-being of the uniformed services community. It does not represent a position for or against any current federal officeholder or political party, but rather a reaffirmation of our core purpose: to ensure that earned benefits are honored and protected.

Paying ALL Who Serve

The Pay Our Troops Act, along with similar legislation introduced in both chambers earlier in 2025, does not provide protections to members of the U.S. Public Health Service Commissioned Corps or the NOAA Corps. MOAA joined another group of stakeholders in an Oct. 7 letter to Kiggans and to Sen. Dan Sullivan, the Alaska Republican who introduced the Pay Our Military Act of 2025, seeking a technical amendment to these bills as a way to include these officers.

"These men and women in USPHS and NOAA, like their counterparts in the Armed Forces, are sworn to serve and defend our nation in times of crisis and directly support the Armed Forces," the letter states, noting the work of USPHS officers as medical support for the Coast Guard and NOAA Corps members providing significant resources to aid in Navy and Marine Corps operations.

"In the event of a government shutdown, these personnel must not be excluded from the protections this bill offers," states the letter, authored by the Commissioned Officers

Association of the U.S. Public Health Service and signed by MOAA and more than a dozen other organizations.

[READ THE LETTER]

MOAA will continue its work to support all members of the uniformed service community, helping ensure those in uniform do not shoulder the burden of failed budget talks. Make your voice heard today, and visit MOAA.org/news for ongoing updates on the federal funding lapse.

When MOAA Speaks, Congress Listens

Learn more about MOAA's key advocacy issues, and contact your elected officials using our messaging platform.

TAKE ACTION

Retired Pay

Q. I'm a military retiree. Will I get my next check? A. Yes. Military retirement is paid from the Military Retirement Fund, not from yearly appropriations.

Q. I'm a Coast Guard retiree. Will I get my next check? A. Yes. Coast Guard retiree pay has been covered by the Military Retirement Fund since the passage of the FY 2021 National Defense Authorization Act.

Q. I'm a U.S. Public Health Service Commissioned Corps retiree. Will I get my next check? A. At present, no. While members of the USPHS Commissioned Corps are paid via the same personnel system as Coast Guard retirees, their pay does not fall under the Military Retirement Fund.

Q. I'm a NOAA Corps retiree. Will I get my next check? A. At present, no. While members of the NOAA Corps are paid via the same personnel system as Coast Guard retirees, their pay does not fall under the Military Retirement Fund.