



**Cost of Living Adjustment
Policy # P-00-02**
Approved November 5, 2019

Purpose:

To adjust salaries of WESTAR employees consistent with WESTAR personnel policies to reflect changes in the price of goods caused by inflation.

Definitions:

COLA = Cost of Living Adjustment

General Notes:

A cost-of-living adjustment may be considered by the Director and the Board for WESTAR employees. The WESTAR Personnel Policies describe how COLA's are to be calculated. The Board will consider and approve, if appropriate, recommendations of the Director.

Process Steps/Descriptions:

The annual Cost-of-Living Adjustment figure is calculated using the Consumer Price Index - All Urban Consumers (CPI-U) as found on the Bureau of Labor Statistics, United States Department of Labor's Home Page (www.bls.gov).

COLA is calculated by subtracting the previous year's annual CPI-U from the most current year's annual CPI-U, and dividing the resulting figure by the previous year's annual CPI-U.

Sample Calculation

In the following example, the current annual CPI for the Western regional area is 172.6 and the previous year's CPI was 167.1 (both figures found on the website noted above).

$$\text{COLA} = [(\text{Current CPI} - \text{Previous CPI}) / \text{Previous CPI}] * 100$$

$$\text{COLA} = [(172.6 - 167.1) / 167.1] * 100 = 3.3\%$$

2. The Director forwards his/her recommendation concerning COLA salary adjustments to the Board for their consideration
3. Upon approval by the Board, as indicated by the President's concurrence on the Director's recommendation letter, the employee's salary will be adjusted, retroactive if necessary, to the employee's anniversary date.

Approval: 
WESTAR President

Date: 11/18/2019