

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DUIO
	DATE December 29, 2025

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 03-26

TO: STATE WORKFORCE AGENCIES

FROM: LORI FRAZIER BEARDEN /s/
Acting Assistant Secretary

SUBJECT: Federal Military Pensions Cost-of-Living Adjustments (COLAs)

1. **Purpose.** To ensure State Workforce Agencies (SWAs) are aware of the Federal military retired pay annual COLA provided by the Department of Defense.
2. **Action Requested.** The Employment and Training Administration (ETA) requests that State Administrators provide the information in this Unemployment Insurance Program Letter (UIPL) and Attachment I to the appropriate staff.
3. **Summary and Background.**
 - a. Summary – This UIPL provides SWAs with information regarding the Federal military retired pay annual COLA provided by the Department of Defense effective December 1, 2025.
 - b. Background – The military COLA is based on the previous year’s Consumer Price Index (CPI). Military COLA adjustments became effective December 1, 2025. Military retired pay, by law, is always rounded down to the next lower dollar amount. The term “retired pay” includes retainer pay, and the term “member” includes former members of the Uniformed Services.
4. **COLA for Retired Pay.** Based on the increase in the CPI, there are COLA adjustments for retired pay, survivor annuities, and Survivor Benefit Plan premiums effective **December 1, 2025** (see Attachment I). For more information on COLAs for the different retirees, visit the Department of Defense website at: <https://militarypay.defense.gov/Pay/Retirement/Cola/>.

States with laws that require a reduction of the unemployment insurance weekly benefit amount by the prorated weekly amount of retired pay and pensions should identify claimants affected by the COLA increases and make the appropriate reductions as required by state law.

5. **Inquiries.** Please direct inquiries to the appropriate ETA Regional Office.

RESCISSIONS None	EXPIRATION DATE Continuing
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6. References.

- 5 U.S.C. Chapter 85, Subchapter II – Ex-Servicemen;
- 20 C.F.R Part 614;
- Employment and Training Handbook No. 384, second edition, *Handbook on Unemployment Compensation for Ex-servicemembers (UCX)*,
<https://www.dol.gov/agencies/eta/advisories/handbooks/et-handbook-no-384-2nd-edition>.

7. Attachment.

- Attachment I – Fiscal Year 2026 Adjustments to Retired/Retainer Pay, Survivor Annuities, and Premiums.