

COLA Calculation Explanation

COLA is a measure of the change in the *Alberta Consumer Price Index (ACPI)* monthly values reported by Statistics Canada. The COLA rate is determined by taking 60 per cent of the sum of the 12 most recent *ACPI* values ending October 2011, and dividing by the sum of the previous 12 months ending October 2010.

The rate of 1.2 per cent COLA effective January 1, 2012 is calculated as follows:

$$\frac{\text{Total ACPI (November 2010 to October 2011)}}{\text{Total ACPI (November 2009 to October 2010)}} - 1 \times 60\% = \text{COLA}$$

$$[(1,500.4/1,470.9^*) - 1] \times 60\% = 1.2\% \quad \text{January 1, 2012}$$

* Results rounded to three decimal places

Appendix I

Appendix I provides the monthly *ACPI* values in a table along with the corresponding 60 per cent of the monthly year over year percentage changes from November 2009 through October 2011.

Alberta Consumer Price Index Values November 2009 - October 2011

	2009/2010 ACPI	2010/2011 ACPI	60% of monthly Year- over-Year Change*
November	122.6	122.7	0.00%
December	121.9	122.9	0.50%
January	122.3	123.5	0.60%
February	122.7	124.2	0.70%
March	122.1	124.5	1.20%
April	122.3	126.0	1.80%
May	122.7	126.1	1.70%
June	122.7	125.3	1.30%
July	123.3	125.7	1.20%
August	122.7	126.3	1.80%
September	122.6	126.0	1.70%
October	123.0	127.2	2.00%
Total	1,470.9	1,500.4	
COLA	0.60%	1.20%	
Effective	Jan. 1, 2011	Jan. 1, 2012	

* Rounded value.

Appendix II

Appendix II displays the changes in the *ACPI* over a two-year period from November 2009 through October 2011.

2011 Indexing Calculation

Total ACPI (Nov. 2009 to Oct. 2010)	1,470.9
Total ACPI (Nov. 2010 to Oct. 2011)	1,500.4

