

Retirees and Disabled Veterans Due for Record Raise Next Year

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Editor's note: This article by Jim Absher originally appeared on Military.com, a leading source of news for the military and veteran community.

Military retirees and disabled veterans could see their monthly checks jump by hundreds of dollars each month in 2022, the largest increase since 1983.

The annual inflation-based Cost of Living Adjustment, or COLA, soon will be determined by the government, and all the figures point to an increase of at least 6%, and maybe more, beginning in 2022.

That means that next year, military retirees will see their monthly retirement check increase, with the average monthly check going up by around \$160. Veterans receiving disability compensation from the [Department of Veterans Affairs](#) also will see their monthly [disability payments](#) increase, with the average monthly amount increasing by nearly \$100.

According to the [Defense Department](#), there are around 1.87 million military retirees, with an annual average retirement payment of \$30,265. The [VA says](#) nearly 5.1 million veterans receive disability compensation, with an annual benefit of \$18,549.

The annual COLA increase is based on the Consumer Price Index (CPI), which is measured by the Department of Labor. That agency measures the costs of a select group of goods and services and compares those costs to the previous year. If there is an increase, retirees and many others receiving government benefits see an increase in their monthly payments for the upcoming year. If those costs go down, the government payments will remain the same in the upcoming year.

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In 2021, costs for most goods and services have gone up much faster than they have in the past. The [most recent data from the Department of Labor](#) is showing a 5.4% increase from last year, and there are two more months left in the current fiscal year, which ends on Sept. 30.

So, unless there is a major turnaround of the economy, with prices dropping dramatically in the next month or so, next year's government payments should see a hefty increase.

The CPI also is used to determine federal employee retirement and social security COLA adjustments as well as other federal benefit programs, so the CPI increase will affect over 50 million Americans.

Next year's COLA is scheduled to be announced in early October. When it is, Military.com will have the latest information, including [disability pay rates](#) available to you.