



Calculation of I/M Waiver Adjusted for CPI

1. Use of the BLS data:

$$\text{CPI adjustment for 1998} = \frac{\text{Average CPI for September 1997 - August 1998}}{\text{Average CPI for September 1988 - August 1989}}$$

$$\text{Average CPI-U for September 1997 - August 1998} = \frac{1}{12} \text{ times the sum of the CPI-U for each individual month from September 1997 through August 1998 (inclusive)}$$

$$\text{Average CPI-U for September 1988 - August 1989} = \frac{1}{12} \text{ times the sum of the CPI-U for each individual month from September 1988 through August 1989 (inclusive)}$$

$$\begin{aligned} \text{For example, the Average CPI-U for September 1988 - August 1989} &= \\ &= \frac{1}{12} \text{ times } (119.8 + 120.2 + 120.3 + 120.5 + 121.1 + 121.6 + 122.3 + 123.1 + 123.8 \\ &+ 124.1 + 124.4 + 124.6) = 122.15 \end{aligned}$$

$$\text{The Average CPI for 1998} = 162.18$$

$$\text{CPI adjustment for 1998} = \frac{162.18}{122.15} = 1.3277$$

2. The \$450 + CPI value = (CPI adjustment for 1998 times \$450) = 1.3277 x 450 = \$597.48

3. The data is available at the following Internet Bureau of Labor Statistics CPI home page:
<http://stats.bls.gov/cpihome.htm>

To retrieve the 1989 to 1998 data, select:

- "Most Requested Series"
- "Consumer Price Index-All Urban Consumers (Current Series)"
- "Consumer Price Index-All Urban Consumers"
- Select "U.S. All Items," Years to report for: "1989 to 1999"

To retrieve the September 1988 to December 1988 data, select:

- "Table Containing History of CPI-U U.S. All Items Indexes and Annual Percent Changes From 1913 to Present." (The direct URL is:
<ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>)

Year	Average CPI-U	Final Waiver Amount
1989	122.2	\$450.00
1995	151.1	\$557.00
1996	155.2	\$572.00
1997	159.5	\$588.00
1998	162.2	\$597.00
1999		