

Estimated impact of changes on pension benefits with a survivor benefit election

For Original and Cash Balance Benefit Structures

Type of Benefit	Age	Illustrative Monthly Pension Benefit		
		Prior to 02/01/14	On or after 02/01/14	Difference
100% Continuing Benefit to Survivor	45	\$ 931	\$ 943	\$ 12
	50	912	927	15
	55	888	906	18
	60	859	881	22
	65	827	852	25
50% Continuing Benefit to Survivor	45	964	971	7
	50	954	962	8
	55	941	951	10
	60	924	937	13
	65	905	920	15
100% Continuing Benefit to Survivor with Pop-Up	45	927	940	13
	50	906	922	16
	55	878	898	20
	60	843	868	25
	65	803	831	28

Assumptions

- Maximum monthly benefit at commencement age = **\$1,000**
- Beneficiary is same age as member

Estimated impact on Fixed Fund

Conversion at retirement

- Accumulated Balance must first be converted into a maximum annuity at the time of retirement
- Member may then select optional forms of payment (see next page)

Type of benefit	Age	Illustrative Maximum Monthly Fixed Annuity Benefit		
		Prior to 02/01/14	On or After 02/01/14	Difference
Single Life only	45	\$ 735	\$ 719	\$ (16)
	50	762	742	(20)
	55	803	777	(26)
	60	864	828	(36)
	65	952	902	(50)

Assumptions

- Based on an accumulated balance of \$100,000 at retirement
- Interest rate: 8-3/8%
- Numbers in () indicate negative
- For figures on next page, beneficiary is assumed to be same age as member

Estimated Impact on Fixed Fund (continued)

Combined impact of new actuarial assumptions with a survivor benefit election

Age	Maximum Monthly Fixed Fund Benefit from Previous Page			Type of Benefit	Illustrative Optional Monthly Fixed Fund Benefit		
	Prior to 02/01/14	On or after 02/01/14	Difference		Prior to 02/01/14	On or after 02/01/14	Difference
45	735	719	(16)	Option 1 (Full Cash Refund)	\$ 730	\$ 715	\$ (15)
50	762	742	(20)		753	736	(17)
55	803	777	(26)		788	766	(22)
60	864	828	(36)		835	806	(29)
65	952	902	(50)		900	862	(38)
45	735	719	(16)	100% Continuing Benefit to Survivor	699	691	(8)
50	762	742	(20)		712	703	(9)
55	803	777	(26)		732	721	(11)
60	864	828	(36)		763	747	(16)
65	952	902	(50)		809	788	(22)
45	735	719	(16)	50% Continuing Benefit to Survivor	716	705	(11)
50	762	742	(20)		736	722	(14)
55	803	777	(26)		766	748	(18)
60	864	828	(36)		810	786	(24)
65	952	902	(50)		875	841	(34)
45	735	719	(16)	100% Continuing Benefit to Survivor with Full Cash Refund	699	691	(8)
50	762	742	(20)		711	703	(8)
55	803	777	(26)		731	720	(11)
60	864	828	(36)		761	746	(15)
65	952	902	(50)		805	785	(20)

Some sample cases (members with a beneficiary)

Member age 60 and beneficiary age 55

Type of benefit	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Maximum Benefit)			
Monthly Pension	\$2,500	\$2,500	\$ --
Monthly Fixed Fund ⁽¹⁾	1,512	1,449	(63)
Total Monthly Benefit	\$4,012	\$3,949	\$(63)

	Prior to 02/01/14	On or after 02/01/14	Difference
100% Continuing Benefit to Survivor (with FCR ⁽²⁾ for Fixed Fund)			
Monthly Pension	\$2,067	\$2,128	\$61
Monthly Fixed Fund	1,299	1,278	(21)
Total Monthly Benefit	\$3,366	\$3,406	\$40

	Prior to 02/01/14	On or after 02/01/14	Difference
50% Continuing Benefit to Survivor (with FCR ⁽²⁾ for Fixed Fund)			
Monthly Pension	\$2,263	\$2,299	\$36
Monthly Fixed Fund	1,396	1,369	(27)
Total Monthly Benefit	\$3,659	\$3,668	\$9

⁽¹⁾ Based on an accumulated balance of \$175,000 at retirement

⁽²⁾ Full Cash Refund

Some sample cases (members with a beneficiary)

Member age 60 and beneficiary age 60

Type of Benefit	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Maximum Benefit)			
Monthly Pension	\$2,500	\$2,500	\$ 0
Monthly Fixed Fund ⁽¹⁾	<u>1,512</u>	<u>1,449</u>	<u>(63)</u>
Total Monthly Benefit	\$4,012	\$3,949	\$(63)

	Prior to 02/01/14	On or after 02/01/14	Difference
100% Continuing Benefit to Survivor (with FCR ⁽²⁾ for Fixed Fund)			
Monthly Pension	\$2,148	\$2,202	\$54
Monthly Fixed Fund	<u>1,332</u>	<u>1,306</u>	<u>(26)</u>
Total Monthly Benefit	\$3,480	\$3,508	\$28

	Prior to 02/01/14	On or after 02/01/14	Difference
50% Continuing Benefit to Survivor (with FCR ⁽²⁾ for Fixed Fund)			
Monthly Pension	\$2,311	\$2,341	\$30
Monthly Fixed Fund	<u>1,414</u>	<u>1,391</u>	<u>(23)</u>
Total Monthly Benefit	\$3,725	\$3,732	\$7

⁽¹⁾ Based on an accumulated balance of \$175,000 at retirement

⁽²⁾ Full Cash Refund

Some sample cases (members with a beneficiary)

Member age 60 and beneficiary age 65

Type of Benefit	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Maximum Benefit)			
Monthly Pension	\$2,500	\$2,500	\$ 0
Monthly Fixed Fund ⁽¹⁾	<u>1,512</u>	<u>1,449</u>	<u>(63)</u>
Total Monthly Benefit	\$4,012	\$3,949	\$(63)

	Prior to 02/01/14	On or after 02/01/14	Difference
100% Continuing Benefit to Survivor (with FCR ⁽²⁾ for Fixed Fund)			
Monthly Pension	\$2,230	\$2,274	\$44
Monthly Fixed Fund	<u>1,367</u>	<u>1,335</u>	<u>(32)</u>
Total Monthly Benefit	\$3,597	\$3,609	\$12

	Prior to 02/01/14	On or after 02/01/14	Difference
50% Continuing Benefit to Survivor (with FCR ⁽²⁾ for Fixed Fund)			
Monthly Pension	\$2,357	\$2,382	\$25
Monthly Fixed Fund	<u>1,432</u>	<u>1,415</u>	<u>(17)</u>
Total Monthly Benefit	\$3,789	\$3,797	\$8

⁽¹⁾ Based on an accumulated balance of \$175,000 at retirement

⁽²⁾ Full Cash Refund

Some sample cases (single participant)

Member age 65

Type of Benefit	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Maximum Benefit)			
Monthly Pension	\$2,500	\$2,500	\$ 0
Monthly Fixed Fund	<u>1,665</u>	<u>1,578</u>	<u>(87)</u>
Total Monthly Benefit	\$4,165	\$4,078	\$(87)

	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Option 1 for Fixed Fund)			
Monthly Pension	\$2,500	\$2,500	\$ 0
Monthly Fixed Fund	<u>1,575</u>	<u>1,508</u>	<u>(67)</u>
Total Monthly Benefit	\$4,075	\$4,008	\$(67)

Member age 55

Type of benefit	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Maximum Benefit)			
Monthly Pension	\$2,500	\$2,500	\$ 0
Monthly Fixed Fund	<u>1,406</u>	<u>1,359</u>	<u>(47)</u>
Total Monthly Benefit	\$3,906	\$3,859	\$(47)

	Prior to 02/01/14	On or after 02/01/14	Difference
Single Life only (Option 1 for Fixed Fund)			
Monthly Pension	\$2,500	\$2,500	\$ 0
Monthly Fixed Fund	<u>1,379</u>	<u>1,339</u>	<u>(40)</u>
Total Monthly Benefit	\$3,879	\$3,839	\$(40)