

**SEMSWA Retirement Plan Option Calculations**  
**12/4/2006**

**Average Employee (EE) Salary Used for Analysis**

Salary= \$ 60,125.00

| <b>CONTRIBUTIONS (Year 1)</b>      | <b>PERA</b>   | <b>DC with SS</b>   | <b>DC without SS Replacement Plan</b>  |
|------------------------------------|---|---|--|
| <b>Employer Costs</b>              | <b>Avg. EE</b>  | <b>Avg. EE</b>  | <b>Avg. EE</b>   |
| To SS                              | 0.00% \$ -  | 6.20% \$ 3,727.75   | 6.20% \$ 3,727.75  |
| To 457 Match                       | 0.00% \$ -  | 0.00% \$ -  | 0.00% \$ -   |
| To DB/DC/PERA                      | 15.50% \$ 9,319.38  | 6.50% \$ 3,908.13   | 6.50% \$ 3,908.13  |
| Admin Setup                        | \$ -  | See Note 1  | See Note 1   |
| Admin Yr 1                         | \$ -  | \$ 3,300.00   | \$ 3,300.00  |
| <b>Total</b>                       | <b>15.50% \$ 9,319.38</b>   | <b>12.70% \$ 10,935.88</b>  | <b>12.70% \$ 10,935.88</b>   |
| <b>Employee Costs</b>              |   |   |  |
| To SS                              | 0.00% \$ -  | 6.20% \$ 3,727.75   | 6.20% \$ 3,727.75  |
| To 457 Voluntary                   | 0.00% \$ -  | 0.00% \$ -  | 0.00% \$ -   |
| To DB/DC/PERA                      | 8.00% \$ 4,810.00   | 6.50% \$ 3,908.13   | 6.50% \$ 3,908.13  |
| <b>Total</b>                       | <b>8.00% \$ 4,810.00</b>  | <b>12.70% \$ 7,635.88</b>   | <b>12.70% \$ 7,635.88</b>  |
| <b>TOTAL CONTRIBUTION %</b>        | <b>23.50%</b>   | <b>25.40%</b>   | <b>25.40%</b>  |
| <b>Average Monthly Benefit</b>     |   |   |  |
| From SS                            | \$ 1,408.00   | \$ 1,796.00   | \$ 1,408.00  |
| From DB/DC/PERA                    | \$ 3,071.00   | \$ 2,632.00   | \$ 4,469.00  |
| Accrual from County Plan           | \$ 913.00   | \$ 913.00   | \$ 913.00  |
| SS Windfall Deduction              | \$ (328.00)   | \$ -  | \$ (328.00)  |
| <b>Total</b>                       | <b>\$ 5,064.00</b>  | <b>\$ 5,341.00</b>  | <b>\$ 6,462.00</b>   |
| <b>Annual Cost for 8 Employees</b> |   |   |  |
| Employer Cost *                    | 15.50% \$ 74,555.00   | 12.70% \$ 64,387.00   | 12.70% \$ 64,387.00  |
| Employee Cost                      | 8.00% \$ 38,480.00  | 12.70% \$ 61,087.00   | 12.70% \$ 61,087.00  |
| * Excludes 1-time setup costs      |   |   |  |
| <b>Comments</b>                    | <p>PERAs costs are expected to increase to 15.5% for the employer then possibly decrease to 10% by 2014. SS windfall would apply to Social Security already earned to date.</p> <p>Some individuals SS benefits would be reduced greatly without 30 years of paying into SS</p> | <p>The above figures assume a 6% rate of return on investments. Additionally, the accrued pension from the county would be available.</p> <p>The setup fees are one-time costs during the first year.</p> | <p>SS Windfall could apply to only the accrued benefit from the county, however it is unlikely since SS taxes were paid while at the county.</p> <p>The setup fees are one-time costs during the first year. Int. Rate = 6% plus accrued benefits also apply.</p> <p>This scenario is recommended by Chad Larsen's report.</p> |

**NOTES:**

- 1) Costs for setup are being quoted and should be known by Dec. 6, 2006.
- 2) The "windfall elimination provision" affects how the amount of your retirement or disability benefit is calculated, if you receive a pension from work where Social Security taxes were not taken out of your pay. A modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit.
- 3) If you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency or an employer in another country, the pension you get based on that work may reduce your Social Security benefits.