

SEMSWA Retirement Plan Option Calculations
12/4/2006

Average Employee (EE) Salary Used for Analysis

Salary= \$ 60,125.00

CONTRIBUTIONS (Year 1)	PERA	DC with SS	DC without SS Replacement Plan
	Avg. EE	Avg. EE	Avg. EE
Employer Costs			
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
Total	15.50% \$ 9,319.38	12.70% \$ 10,935.88	12.70% \$ 10,935.88
Employee Costs			
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
Total	8.00% \$ 4,810.00	12.70% \$ 7,635.88	12.70% \$ 7,635.88
TOTAL CONTRIBUTION %	23.50%	25.40%	25.40%
Average Monthly Benefit			
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)
Total	\$ 5,064.00	\$ 5,341.00	\$ 6,462.00
Annual Cost for 8 Employees			
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			
Comments	<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.