

### Discount Rate Sensitivity Analysis

The following analysis looks at the 2012-2013 employer contribution rates under two different discount rate scenarios. Shown below are the employer contribution rates assuming discount rates that are 1% lower and 1% higher than the current valuation discount rate. This analysis gives an indication of the potential required employer contribution rates if the discount rate was changed to 6.50% or 8.50% over the long-term. The funded status on a Market Value of Assets basis is also shown.

This type of analysis gives the reader a sense of the long-term risk to the employer contribution rates.

Plan	As of June 30, 2011	Discount Rate 6.50%	Discount Rate 7.50%	Discount Rate 8.50%
State Miscellaneous Tier 1	Normal Cost	12.2%	8.370%	5.5%
	UAL Payment	17.5%	11.205%	5.0%
	GTLI	<u>0.1%</u>	<u>0.076%</u>	<u>0.1%</u>
	Total	29.7%	19.651%	10.5%
	Funded Status	63.0%	70.7%	78.7%
State Miscellaneous Tier 2	Normal Cost	10.7%	8.324%	6.5%
	UAL Payment	17.5%	11.205%	5.0%
	GTLI	<u>0.1%</u>	<u>0.076%</u>	<u>0.1%</u>
	Total	28.3%	19.605%	11.6%
	Funded Status	63.0%	70.7%	78.7%
Industrial	Normal Cost	15.3%	11.220%	8.0%
	UAL Payment	9.1%	4.553%	0.5%
	GTLI	<u>0.0%</u>	<u>0.000%</u>	<u>0.0%</u>
	Total	24.4%	15.773%	8.5%
	Funded Status	67.8%	77.0%	86.7%
Safety	Normal Cost	17.1%	12.740%	9.3%
	UAL Payment	7.8%	4.287%	1.3%
	GTLI	<u>0.0%</u>	<u>0.025%</u>	<u>0.0%</u>
	Total	25.0%	17.052%	10.6%
	Funded Status	65.7%	74.6%	84.1%
POFF	Normal Cost	23.1%	16.458%	11.4%
	UAL Payment	21.2%	12.702%	6.0%
	GTLI	<u>0.0%</u>	<u>0.026%</u>	<u>0.0%</u>
	Total	44.4%	29.186%	17.4%
	Funded Status	60.5%	69.0%	78.2%
CHP	Normal Cost	20.8%	14.162%	9.2%
	UAL Payment	26.8%	18.286%	10.3%
	GTLI	<u>0.0%</u>	<u>0.026%</u>	<u>0.0%</u>
	Total	47.6%	32.474%	19.5%
	Funded Status	57.2%	65.1%	73.5%
Schools	Normal Cost	10.8%	7.415%	4.8%
	UAL Payment	9.2%	4.002%	-0.1%
	GTLI	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	Total	20.0%	11.417%	4.8%
	Funded Status	69.6%	78.7%	88.2%

\*Rates assume phase-in of impact of economic assumption change for June 30, 2011 valuations

\*\* Rates were also calculated with a 30-year Fresh Start to the amortization bases in the case of an average amortization period greater than 30 or a surplus with an average amortization period less than 30 years.

\*\*\*Numbers may not add due to rounding.