

Impact on Employer Rates

The tables below compare the volatility in employer contribution rates for each method as measured by the standard deviation of the annual change in employer contribution rate. The tables below also compare the average employer contribution rate over the next 50 years. The results are based on 1,500 projections for 50 years using randomly simulated investment returns. Projections include impact of changes due to the PEPRA reform law. Data is as of June 30, 2011.

State Miscellaneous

Method	Standard Deviation of Annual Change in Employer Rate	Average Employer Rate Over the Next 50 Years
Current Method	1.8%	18.7%
Method 2	2.0%	19.3%
Method 3	1.9%	19.1%
Method 4	1.9%	19.1%
Method 5	2.1%	19.0%

Schools Pool

Method	Standard Deviation of Annual Change in Employer Rate	Average Employer Rate Over the Next 50 Years
Current Method	1.3%	14.6%
Method 2	1.5%	15.1%
Method 3	1.4%	14.9%
Method 4	1.4%	14.9%
Method 5	1.5%	14.9%

Sample Public Agency Miscellaneous Plan

Method	Standard Deviation of Annual Change in Employer Rate	Average Employer Rate Over the Next 50 Years
Current Method	1.4%	15.8%
Method 2	1.6%	16.4%
Method 3	1.5%	16.2%
Method 4	1.5%	16.2%
Method 5	1.7%	16.3%

Impact on Employer Rates

The tables below compare the volatility in employer contribution rates for each method as measured by the standard deviation of the annual change in employer contribution rate. The tables below also compare the average employer contribution rate over the next 50 years. The results are based on 1,500 projections for 50 years using randomly simulated investment returns. Projections include impact of changes due to the PEPRA reform law. Data is as of June 30, 2011.

CHP

Method	Standard Deviation of Annual Change in Employer Rate	Average Employer Rate Over the Next 50 Years
Current Method	2.9%	30.5%
Method 2	3.2%	31.5%
Method 3	3.0%	31.1%
Method 4	3.0%	31.1%
Method 5	3.4%	31.3%

POFF

Method	Standard Deviation of Annual Change in Employer Rate	Average Employer Rate Over the Next 50 Years
Current Method	2.2%	26.9%
Method 2	2.7%	27.9%
Method 3	2.6%	27.6%
Method 4	2.6%	27.6%
Method 5	2.8%	27.7%

Sample Public Agency Safety Plan

Method	Standard Deviation of Annual Change in Employer Rate	Average Employer Rate Over the Next 50 Years
Current Method	2.5%	28.4%
Method 2	2.8%	29.4%
Method 3	2.6%	29.0%
Method 4	2.6%	29.1%
Method 5	2.9%	29.2%