

SPRING 2015

EXAM RETFRC

**Retirement Funding &
Regulation Exam – Canada**

CASE STUDY

RETFRC afternoon

Case Study - Course FR Retirement - Canada

National Oil Company - Background

National Oil Company (NOC) is a large well-established company that services oil wells all over Canada. Most of NOC's employees are employed in the province of Ontario. NOC has been in existence for over 30 years and has more than 10,000 full-time salaried and union hourly employees and over 6,000 part-time employees. The full-time workforce is reasonably stable, but turnover in the last 5 years has been greater than desired, due to competitors recruiting NOC's employees.

Normally, an undergraduate degree is a minimum requirement to obtain entry to the salaried workforce and many employees have graduate degrees. About half of NOC's salaried employees are recruited directly from university with the other half coming from competitors.

The company's financial position varies with the price of oil. As oil prices rise, oil companies become increasingly active and in turn require the services of NOC. Conversely, activity slows as oil prices drop. Despite this, the company is usually in a taxable position.

NOC has managed to be successful by staying on the cutting edge of technology. NOC prides itself in being state of the art in processes and software relevant to its industry. This has helped it to stave off competition from both inside and outside of Canada. Although NOC is the largest player in the industry within Canada, there are larger players from outside of the country, with which NOC has to compete. From time to time, there are rumors of a takeover of NOC.

Canadian legislation and social programs will apply to NOC in this case study.

Summary of National Oil's Retirement Benefits

NOC maintains five retirement programs:

1. a final-average pay defined benefit (DB) RPP for its full-time salaried employees;
2. a flat dollar DB RPP for its full-time hourly union staff;
3. a defined contribution (DC) RPP for its part-time workforce; and
4. a non-registered pension plan (referred to as the SERP) for its executives that is supplemental to the salaried RPP. This plan has no assets.

Extracts of Retirement Benefits Provisions and Financial Information

National Oil Full-Time Salaried Pension Plan

Eligibility	Immediate
Vesting	Immediate, effective July 1, 2012
Normal Retirement Age	65
Early Retirement Age	55
Best Average Earnings	Average annual earnings during 60 consecutive months in which earnings were highest
Earnings	Base pay, excluding overtime and bonuses
Normal Retirement Benefit	2% of best average earnings times years of service, subject to legislative maximum
Accrued Benefit	Benefit calculated as under the normal retirement benefit formula using best average earnings and service as of date of calculation
Early Retirement Benefit	Accrued benefit reduced by 0.25% per month that early retirement precedes age 62 for actives participants and actuarial equivalent for terminated participants
Form of Benefit	If with spouse, 60% joint & survivor benefit, without reduction. If without spouse, single life annuity
Optional Forms of Benefit	None
Indexing	None
Termination Benefit	(1) Lump sum value equal to actuarial present value of accrued pension payable at age 65; or (2) Deferred pension
Pre-Retirement Death Benefit	Lump sum value equal to actuarial present value of accrued pension payable at age 65 to named beneficiary
Disability Benefit	Accrual of service while on long term disability and immediate pension without a reduction upon permanent and total disability

**National Oil Full-Time Salaried Pension Plan
Reconciliation of Plan Participants (2011 - 2014)**

	<u>Active</u>	<u>Pensioners/ Beneficiaries</u>	<u>Total</u>
1. Participants as of January 1, 2011	4,076	773	4,849
- New Entrants/Rehires	250	-	250
- Terminated Nonvested	(100)	-	(100)
- Terminated Vested (Lump Sum Cashout)	(130)	-	(130)
- Retirement	(45)	45	-
- Death w/ Beneficiary	(5)	5	-
- Death w/o Beneficiary	-	(2)	(2)
- Net change	(30)	48	18
2. Participants as of January 1, 2012	4,046	821	4,867
- New Entrants/Rehires	200	-	200
- Terminated Nonvested	(80)	-	(80)
- Terminated Vested (Lump Sum Cashout)	(90)	-	(90)
- Retirement	(40)	40	-
- Death w/ Beneficiary	(4)	4	-
- Death w/o Beneficiary	-	(14)	(14)
- Net change	(14)	30	16
3. Participants as of January 1, 2013	4,032	851	4,883
- New Entrants/Rehires	150	-	150
- Terminated (Lump Sum Cashout)	(100)	-	(100)
- Retirement	(50)	50	-
- Death w/ Beneficiary	(5)	5	-
- Death w/o Beneficiary	-	(14)	(14)
- Net change	(5)	41	36
4. Participants as of January 1, 2014	4,027	892	4,919

**National Oil Full-Time Salaried Pension Plan
Age/Svc/Earnings as of January 1, 2014**

Age (Years)	# Participants	Average Salary	Service (Years)					Totals
			< 5	5-10	10-15	15-20	>20	
< 25	190	37,700	90	-	-	-	280	41,400
25-35	250	49,900	130	85	20	-	485	57,000
35-45	190	62,800	200	180	180	100	850	74,300
45-55	180	66,400	160	175	310	650	1,475	77,800
55-65	170	66,100	100	90	100	450	910	76,200
> 65	3	58,200	10	5	4	5	27	67,800
Totals	983	55,900	690	535	614	1,205	4,027	71,600

Avg Age 45.9
Avg Svc 14.7
Avg Salary 71,600

National Oil Full-Time Salaried Pension Plan
Solvency Valuation Results

	2012	2013	2014	2014 Interest Rate Sensitivity
Solvency Valuation - January 1 (numbers in \$000's) *				
1. Actuarial Accrued Liability:				
(a) Active participants	850,249	941,068	814,809	923,161
(b) Deferred vested participants				
(c) Pensioners	288,171	316,266	308,133	342,160
(d) Total	1,138,420	1,257,334	1,122,942	1,265,321
2. Market Value of Assets	832,957	968,997	1,188,326	1,188,326
3. Solvency Deficiency: (1d)-(2)	305,463	288,337	(65,384)	76,995
4. Actuarial Basis				
(a) Interest - Benefit paid by lump sum	2.4% for 10 years 3.9% thereafter	2.5% for 10 years 3.7% thereafter	3.1% for 10 years 4.6% thereafter	2.1% for 10 years 3.6% thereafter
(a) Interest - Benefit settled by annuity purchase	3.3%	3.0%	3.9%	2.9%
(b) Mortality	UP 1994 - Generational	UP 1994 - Generational	UP 1994 - Generational	UP 1994 - Generational
(c) Retirement age	The age that produces the largest value			
(d) Proportion married and age difference	80% with spouse, Male spouses are 3 years older			
(e) Asset Valuation Method	Market value of assets			
(f) Actuarial Cost Method	Unit Credit			

* numbers may not add due to rounding

National Oil Full-Time Salaried Pension Plan
Historical Going Concern Actuarial Valuation Results

2011 2012 2013 2014

Participant Summary - January 1

<i>Active Participants</i>				
(a) count	4,076	4,046	4,032	4,027
(b) average age	45.2	45.1	46.0	45.9
(c) average service	15.4	15.0	14.7	14.7
(d) average future working lifetime	11.0	11.0	11.0	12.0
(e) average plan earnings (prior year)	67,400	68,000	69,500	71,600
<i>Deferred Vested Participants</i>				
(a) count	-	-	-	-
<i>Pensioners (incl beneficiaries)</i>				
(a) count	773	821	851	892
(b) average age	68.0	67.0	67.7	68.0
(c) average annual benefit	22,000	22,500	22,800	23,100

Plan Assets (numbers in \$000's) *

<i>Change in Plan Assets during Prior Year:</i>				
Market Value of Assets at January 1 of prior year	633,966	748,481	832,957	968,997
Employer Contributions during prior year	92,000	99,000	100,000	120,000
Benefit Payments during prior year	(21,000)	(22,000)	(22,200)	(22,400)
Expenses during prior year	-	-	-	-
Investment return during prior year	43,515	7,476	58,240	121,729
Market Value of Assets at January 1 of current year	748,481	832,957	968,997	1,188,326
Rate of return during prior year	6.5%	1.0%	6.7%	12.0%
<i>Average Portfolio Mix During Prior Year:</i>				
(a) Domestic Large Cap Equities	30%	30%	32%	32%
(b) Domestic Small Cap Equities	10%	10%	8%	8%
(c) Domestic Fixed Income	35%	40%	40%	40%
(d) International Equities	20%	15%	16%	16%
(e) Real Estate	0%	0%	0%	0%
(f) Cash	5%	5%	4%	4%
(g) Total	100%	100%	100%	100%
<i>Asset Class Returns during Prior Year:</i>				
(a) Domestic Large Cap Equities	12%	-9%	7%	13%
(b) Domestic Small Cap Equities	5%	-5%	7%	38%
(c) Domestic Fixed Income	1%	14%	4%	-1%
(d) International Equities	10%	-10%	14%	32%
(e) Real Estate	3%	3%	8%	8%
(f) Cash	1%	1%	1%	1%

* numbers may not add due to rounding

National Oil Full-Time Salaried Pension Plan
Historical Going Concern Actuarial Valuation Results

2011 2012 2013 2014

Going Concern Valuation - January 1 (numbers in \$000's) *

2014
Interest Rate
Sensitivity

1. Actuarial Accrued Liability:					
(a) Active participants	776,554	756,002	915,409	861,242	1,110,458
(b) Deferred vested participants	-	-	-	-	-
(c) Pensioners	210,874	229,059	252,236	261,334	287,468
(d) Total	987,429	985,061	1,167,645	1,122,576	1,397,925
2. Actuarial Value of Assets	748,481	832,957	968,997	1,188,326	1,188,326
3. Unfunded Actuarial Accrued Liability: (1d)-(2)	238,948	152,104	198,648	(65,750)	209,599
4. Normal Cost (beg. Of year)	50,426	50,400	62,273	58,588	75,541
5. Change in Unfunded AAL during prior year:					
(a) Unfunded AAL at prior valuation date	243,867	238,948	152,104	198,648	
(b) Adjustment for Interest	15,851	14,337	9,126	10,926	
(c) Normal Cost w/interest less contributions	(46,778)	(48,519)	(49,576)	(57,602)	
(d) (Gain)/Loss on investment	-	39,743	(5,929)	(65,750)	
(e) (Gain)/Loss on termination	(20,000)	(25,000)	5,000	3,000	
(f) (Gain)/Loss on salary increases less than expected	(25,000)	(30,000)	(14,000)	(7,000)	
(g) (Gain)/Loss on mortality	2,000	2,000	(3,000)	(2,000)	
(h) (Gain)/Loss on retirement	23,000	(5,000)	4,000	(4,000)	
(i) (Gain)/Loss on assumption changes	40,000	-	104,000	(141,100)	
(j) (Gain)/Loss on expenses	-	-	-	-	
(k) (Gain)/Loss on all other factors	6,007	(34,404)	(3,078)	(872)	
(l) Unfunded AAL at current valuation date	238,948	152,104	198,648	(65,750)	
6. Actuarial Basis					
(a) Interest	6.00%	6.00%	5.50%	5.75%	4.75%
(b) Salary scale	4.00%	4.00%	4.00%	3.50%	3.50%
(c) Consumer Price Index	2.50%	2.50%	2.50%	2.50%	2.50%
(d) Mortality	1994 Uninsured Pensioner Mortality - Generational	1994 Uninsured Pensioner Mortality - Generational	1994 Uninsured Pensioner Mortality - Generational	1994 Uninsured Pensioner Mortality - Generational	1994 Uninsured Pensioner Mortality - Generational
(e) Turnover	Based on NOC experience for 1996-2006				
(f) Retirement age	Age 62				
(g) Proportion married and age difference	80% married, husbands 3 years older than wives				
(h) Expenses	Assume all expenses paid by company				
(i) Asset Valuation Method	Market value of assets				
(j) Actuarial Cost Method	Projected unit credit				

* numbers may not add due to rounding

National Oil Full-Time Hourly Union Pension Plan

Eligibility	Immediate
Vesting	Immediate, effective July 1, 2012
Normal Retirement Age	65
Early Retirement Age	55
Normal Retirement Benefit	\$80 per month times all years of service for terminations/retirements after 2004
Accrued Benefit	Benefit calculated as under the normal retirement benefit formula based on service and multiplier as of date of calculation
Early Retirement Benefit	Unreduced benefit at 62 with 30 years of service, otherwise reduced by 0.25% per month that early retirement precedes Normal Retirement Age for active participants and actuarial equivalent for terminated participants
Form of Benefit	With a spouse, 60% joint & survivor benefit without reduction Without a spouse, single life annuity.
Optional Forms of Benefit	None
Post-Retirement Indexing	Lesser of 1% or CPI each year after pension commencement
Termination Benefit	(1) Lump sum value equal to actuarial present value of accrued pension payable at age 65; or (2) Deferred pension
Pre-Retirement Death Benefit	Lump sum value equal to actuarial present value of accrued pension payable at age 65 to named beneficiary
Disability Benefit	None

**National Oil Full-Time Hourly Union Pension Plan
Reconciliation of Plan Participants (2011 - 2014)**

	<u>Active</u>	<u>Pensioners/ Beneficiaries</u>	<u>Total</u>
1. Participants as of January 1, 2011	6,225	1,135	7,360
- New Entrants/Rehires	300	-	300
- Terminated Nonvested	(50)	-	(50)
- Terminated Vested (Lump Sum Cashout)	(130)	-	(130)
- Retirement	(60)	50	(10)
- Death w/ Beneficiary	-	-	-
- Death w/o Beneficiary	-	(35)	(35)
- Net change	60	15	75
2. Participants as of January 1, 2012	6,285	1,150	7,435
- New Entrants/Rehires	250	-	250
- Terminated Nonvested	(40)	-	(40)
- Terminated Vested (Lump Sum Cashout)	(120)	-	(120)
- Retirement	(70)	70	-
- Death w/ Beneficiary	(5)	5	-
- Death w/o Beneficiary	-	(35)	(35)
- Net change	15	40	55
3. Participants as of January 1, 2013	6,300	1,190	7,490
- New Entrants/Rehires	300	-	300
- Terminated Vested (Lump Sum Cashout)	(200)	-	(200)
- Retirement	(80)	80	-
- Death w/ Beneficiary	(5)	5	-
- Death w/o Beneficiary	-	(50)	(50)
- Net change	15	35	50
4. Participants as of January 1, 2014	6,315	1,225	7,540

**National Oil Full-Time Hourly Union Pension Plan
Age/Svc/Earnings as of January 1, 2014**

Age (Years)		Service (Years)					Totals
		< 5	5-10	10-15	15-20	>20	
< 25	# Participants	255	80	-	-	-	335
	Average Salary	42,700	48,200	-	-	-	44,000
25-35	# Participants	340	100	90	10	-	540
	Average Salary	47,300	49,200	54,200	56,600	-	49,000
35-45	# Participants	290	310	330	620	420	1,970
	Average Salary	53,400	50,100	57,500	59,800	60,300	57,100
45-55	# Participants	150	210	320	650	870	2,200
	Average Salary	53,300	53,100	60,300	60,500	61,700	59,700
55-65	# Participants	75	85	110	200	730	1,200
	Average Salary	52,800	54,400	62,300	63,100	65,700	63,300
> 65	# Participants	5	15	25	20	5	70
	Average Salary	54,200	56,200	64,400	65,300	66,600	62,300
Totals	# Participants	1,115	800	875	1,500	2,025	6,315
	Average Salary	49,000	51,200	59,000	60,600	62,900	57,900
	Avg Age	46.2					
	Avg Svc	16.6					
	Avg Salary	57,900					

National Oil Full-Time Hourly Union Pension Plan
Solvency Valuation Results

	2012	2013	2014	2014 Interest Rate Sensitivity
Solvency Valuation - January 1 (numbers in \$000's) *				
1. Actuarial Accrued Liability:				
(a) Active participants	1,072,545	1,140,691	942,512	1,262,759
(b) Deferred vested participants				
(c) Pensioners	237,728	266,988	253,923	278,030
(d) Total	1,310,273	1,407,679	1,196,435	1,540,789
2. Market Value of Assets	693,567	817,919	995,757	995,757
3. Solvency Deficiency: (1d)-(2)	616,706	589,760	200,678	545,032
4. Actuarial Basis				
(a) Interest - Benefit paid by lump sum	2.4% for 10 years 3.9% thereafter	2.5% for 10 years 3.7% thereafter	3.1% for 10 years 4.6% thereafter	2.1% for 10 years 3.6% thereafter
(a) Interest - Benefit settled by annuity purchase	3.3%	3.0%	3.9%	2.9%
(b) Mortality	UP 1994 - Generational	UP 1994 - Generational	UP 1994 - Generational	UP 1994 - Generational
(c) Retirement age	The age that produces the largest value			
(d) Proportion married and age difference	80% with spouse, Male spouses are 3 years older			
(e) Asset Valuation Method	Market value of assets			
(f) Actuarial Cost Method	Unit Credit			

* numbers may not add due to rounding

National Oil Full-Time Hourly Union Pension Plan
Historical Going Concern Actuarial Valuation Results

2011 2012 2013 2014

Participant Summary - January 1

<i>Active Participants</i>				
(a) count	6,225	6,285	6,300	6,315
(b) average age	46.1	45.8	46.3	46.2
(c) average service	17.3	16.8	16.6	16.6
(d) average future working lifetime	10.8	11.0	10.7	10.9
(e) average plan earnings (prior year)	53,100	54,300	56,500	57,900
<i>Deferred Vested Participants</i>				
(a) count	-	-	-	-
<i>Pensioners (incl beneficiaries)</i>				
(a) count	1,135	1,150	1,190	1,225
(b) average age	68.0	67.0	67.8	68.2
(c) average annual benefit	13,400	13,600	14,200	14,300

Plan Assets (numbers in \$000's) *

<i>Change in Plan Assets during Prior Year:</i>				
Market Value of Assets at January 1 of prior year	488,942	606,421	693,567	817,919
Employer Contributions during prior year	100,000	100,000	95,000	95,000
Benefit Payments during prior year	(17,000)	(19,000)	(19,500)	(19,500)
Expenses during prior year	-	-	-	-
Investment return during prior year	34,479	6,146	48,852	102,338
Market Value of Assets at January 1 of current year	606,421	693,567	817,919	995,757
Rate of return during prior year	6.5%	1.0%	6.7%	12.0%
<i>Average Portfolio Mix During Prior Year:</i>				
(a) Domestic Large Cap Equities	30%	30%	32%	32%
(b) Domestic Small Cap Equities	10%	10%	8%	8%
(c) Domestic Fixed Income	35%	40%	40%	40%
(d) International Equities	20%	15%	16%	16%
(e) Real Estate	0%	0%	0%	0%
(f) Cash	5%	5%	4%	4%
(g) Total	100%	100%	100%	100%
<i>Asset Class Returns during Prior Year:</i>				
(a) Domestic Large Cap Equities	12%	-9%	7%	13%
(b) Domestic Small Cap Equities	5%	-5%	7%	38%
(c) Domestic Fixed Income	1%	14%	4%	-1%
(d) International Equities	10%	-10%	14%	32%
(e) Real Estate	3%	3%	8%	8%
(f) Cash	1%	1%	1%	1%

* numbers may not add due to rounding

National Oil Full-Time Hourly Union Pension Plan
Historical Going Concern Actuarial Valuation Results

2011 2012 2013 2014

Going Concern Valuation - January 1 (numbers in \$000's) *

2014
Interest Rate
Sensitivity

	2011	2012	2013	2014	2014
1. Actuarial Accrued Liability:					
Active Multiplier	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80
(a) Active participants	587,192	574,865	688,339	730,256	912,039
(b) Deferred vested participants	-	-	-	-	0
(c) Pensioners	182,508	193,936	221,364	233,282	256,610
(d) Total	769,700	768,801	909,703	963,538	1,168,649
2. Actuarial Value of Assets	606,421	693,567	817,919	995,757	995,757
3. Unfunded Actuarial Accrued Liability: (1d)-(2)	163,279	75,235	91,784	(32,218)	172,892
4. Normal Cost (beg. Of year)	33,942	34,218	41,466	43,991	54,942
5. Change in Unfunded AAL during prior year:					
(a) Unfunded AAL at prior valuation date	227,176	163,279	75,235	91,784	
(b) Adjustment for Interest	14,766	9,797	4,514	5,048	
(c) Normal Cost w/interest less contributions	(69,790)	(67,022)	(61,579)	(53,866)	
(d) (Gain)/Loss on investment	-	32,670	(4,973)	(55,276)	
(e) (Gain)/Loss on termination	12,000	8,000	7,000	(6,000)	
(f) (Gain)/Loss on salary increases less than expected	-	-	-	-	
(g) (Gain)/Loss on mortality	(28,000)	(21,000)	(9,000)	(5,000)	
(h) (Gain)/Loss on retirement	(26,000)	(26,000)	(6,000)	(9,000)	
(i) (Gain)/Loss on assumption changes	33,000	-	80,000	500	
(j) (Gain)/Loss on expenses	-	-	-	-	
(k) (Gain)/Loss on all other factors	127	(24,489)	6,587	(409)	
(l) Change in active benefit multiplier	-	-	-	-	
(m) Unfunded AAL at current valuation date	163,279	75,235	91,784	(32,218)	
6. Actuarial Basis					
(a) Interest	6.00%	6.00%	5.50%	5.75%	4.75%
(b) Salary scale	N/A	N/A	N/A	N/A	N/A
(c) Consumer Price Index	2.50%	2.50%	2.50%	2.50%	2.50%
(d) Mortality	GAM 1994	GAM 1994	GAM 1994	1994 Uninsured Pensioner Mortality - Generational	1994 Uninsured Pensioner Mortality - Generational
(e) Turnover	Based on NOC experience for 1996 - 2006				
(f) Retirement age	Age 62, with the appropriate early retirement reduction, if any				
(g) Proportion married and age difference	80% married, husbands 3 years older than wives				
(h) Expenses	Assume all expenses paid by company				
(i) Post-retirement indexing	1%				
(j) Asset Valuation Method	Market value of assets				
(k) Actuarial Cost Method	Unit credit				

* numbers may not add due to rounding

National Oil Full-Time Salaried Supplemental Executive Retirement Plan (SERP)

Eligibility	Immediate
Normal Retirement Age	65
Early Retirement Age	55
Accrued Benefit	Accrued Benefit calculated under the provisions of the Salaried Pension Plan without regard to legislative maximums <u>less</u> actual Accrued Benefit under the Salaried Pension Plan
Normal Retirement Benefit	Accrued Benefit
Early Retirement Benefit	Accrued benefit reduced by 0.25% per month that early retirement precedes age 62 for actives participants
Commencement Date and Form of Benefit	Must be same as under Salaried Pension Plan
Indexing	None
Termination Benefit	None
Pre-Retirement Death Benefit	None
Disability Benefit	None

Supplemental Retirement Plan
Historical Valuation Results - January 1

	2011	2012	2013	2014
Participant Summary				
1. Active Participants				
(a) count	60	60	58	54
(b) average age	50.0	51.0	51.5	50.0
(c) average service	17.0	18.0	18.2	18.0
(d) average future working lifetime	8.8	8.8	8.5	9.0
(e) average earnings (prior year)	350,000	350,000	370,000	410,000
2. Deferred Vested Participants				
(a) count	-	-	-	-
3. Pensioners (incl beneficiaries)				
(a) count	30	30	32	35
(b) average age	66.1	67.1	67.9	67.0
(c) average annual benefit	22,000	22,000	24,000	25,000

Valuation Results (numbers in \$000's) *

1. Reconciliation of funded status at valuation date:				
(a) Accrued Benefit Obligation	(80,454)	(91,110)	(104,508)	(97,443)
(b) Fair Value of Assets	-	-	-	-
(c) Funded Status: (a) + (b)	(80,454)	(91,110)	(104,508)	(97,443)
2. Service Cost	1,791	2,041	2,366	1,865
3. Benefit Payments	660	660	768	875
4. Actuarial Basis				
(a) Discount rate	5.50%	5.00%	4.50%	5.75%
(b) Salary scale	3.50%	3.50%	3.50%	3.50%
(c) CPI	2.50%	2.50%	2.50%	2.50%
(d) All other assumptions	Same as the Salaried Plan			

* numbers may not add due to rounding

National Oil Part-Time DC Pension Plan

Eligibility	Immediate
Vesting	Immediate, effective July 1, 2012
Employer Contributions - Base	3% of base pay
Employer Contributions - Match	100% on the first 3% and 50% thereafter
Employee Contributions	Up to 6% of base pay
Plan Fund	The employer invests the contributions in a balanced fund. There are no employee investment choices.
Account Balance	Contributions are accumulated in member's individual account earning investment income at the rate of return earned by the Plan Fund.
Benefit on Termination or Retirement	Account balance is transferred to a LIRA/LIF for the member after one year from date of termination or retirement, unless employee has since returned to employment with NOC.
Benefit on Death	Account balance is payable to named beneficiary

National Oil Part-Time DC Pension Plan
Historical Results - January 1

2011 2012 2013 2014

Participant Summary

(a) number participating during prior year	6,800	7,200	7,100	7,200
(b) average age	30.8	31.0	31.4	31.0
(c) average base pay	31,000	31,000	31,900	32,000

Plan Assets (numbers in \$000's) *

<i>Change in Plan Assets during Prior Year:</i>				
Market Value of Assets at January 1 of prior year	96,044	119,341	137,575	160,752
Employee Contributions during prior year	8,432	8,928	9,060	9,216
Company Contributions during prior year	13,702	14,508	14,722	14,976
Benefit Payments during prior year	(6,120)	(6,480)	(7,881)	(8,849)
Expenses during prior year	-	-	-	-
Investment return during prior year	7,284	1,278	7,276	13,474
Market Value of Assets at January 1 of current year	<u>119,341</u>	<u>137,575</u>	<u>160,752</u>	<u>189,569</u>
Rate of return during prior year	7%	1%	5%	8%

** numbers may not add due to rounding*