

Present value of benefit over 30 years (age 60-89):
Percentage differences from baseline by long-term return quintile

Starting benefits are normalized to \$100 for all policies

Return quintile	Range of 30-year compound returns	Baseline	Contingent COLA: 5-year return	Contingent COLA: funded ratio (year-1 funded ratio 75%)	Contingent COLA: funded ratio (year-1 funded ratio 100%)	Hybrid DB- DC: high return'	Hybrid DB- DC: low return'
Median present value of benefit over 30 years within quintiles							
1	< 5.7%	1,472	1,406	1,345	1,403	1,218	1,149
2	5.7%~6.9%	1,472	1,444	1,370	1,444	1,293	1,174
3	6.9%~8.1%	1,472	1,471	1,404	1,489	1,349	1,195
4	8.1%~9.4%	1,472	1,510	1,432	1,536	1,422	1,215
5	> 9.4%	1,472	1,550	1,488	1,591	1,562	1,253
Percentage difference from Baseline							
1	< 5.7%	0.0%	-4.4%	-8.6%	-4.7%	-17.2%	-21.9%
2	5.7%~6.9%	0.0%	-1.9%	-6.9%	-1.9%	-12.1%	-20.2%
3	6.9%~8.1%	0.0%	-0.1%	-4.6%	1.2%	-8.3%	-18.8%
4	8.1%~9.4%	0.0%	2.6%	-2.7%	4.4%	-3.4%	-17.4%
5	> 9.4%	0.0%	5.3%	1.1%	8.1%	6.1%	-14.9%

¹ Annual benefit under the hybrid DB-DC plan is the sum of DB benefit and annual withdrawal from the DC balance. The annual withdrawal rate from the DC balance is assumed to be 7.5%. The present value of DC benefits is calculated as the sum of the present value of annual withdrawals from the DC account over age 60-85 and the present value of the remaining DC balance at the end of age 85. Under the "Hybrid DB-DC: high return" scenario, the DC assets held by retirees has the same returns and losses as the DB portfolio; under the "Hybrid DB-DC: low return" scenario, the DC assets held by retirees has one-half of the DB portfolio's returns and losses.