

Example - Allocating AP Cost - **One Employer Exceeding Wage Increase Limit**

DOB	11/15/1950	Age	61.126
Retirement Dt	1/1/2012	Service	20

Actual Wages (reported by employer)

	Employer A		Employer B		Total	
	Wages	% Increase	Wages	% Increase	Wages	% Increase
Year 0	100,000.00		-		100,000.00	
Year 1	100,000.00	0.0%	-	#DIV/0!	100,000.00	0.0%
Year 2	100,000.00	0.0%	-	#DIV/0!	100,000.00	0.0%
Year 3	100,000.00	0.0%	-	#DIV/0!	100,000.00	0.0%
Year 4	110,000.00	10.0%	-	#DIV/0!	110,000.00	10.0%
Total	410,000.00		-		410,000.00	(a)
Monthly FRE					8,541.67	
Pension					2,990.01	
Factor					174.5646	
PV (pension times factor)					521,949.90	(c)
Limit	<u>Wages Adjusted for Annual Increase Limits</u>					
Year 0	100,000.00		-		100,000.00	
6.00% Year 1	100,000.00		-		100,000.00	0.0%
6.00% Year 2	100,000.00		-		100,000.00	0.0%
6.00% Year 3	100,000.00		-		100,000.00	0.0%
6.00% Year 4	106,000.00		-		106,000.00	6.0%
Total	406,000.00		-		406,000.00	(b)
Monthly FRE					8,458.33	
Pension					2,960.84	
Factor					174.5646	
PV (pension times factor)					516,857.85	(d)
<u>Allocate AP Between Employers</u>						
Excess in FRE	4,000.00		-		4,000.00	(a - b)
% of Total Excess	100.00%		0.00%			(e)
AP Amount					5,092.05	(f) = (c - d)
Allocate AP	5,092.05		-		5,092.05	(f * e)