

Example - Allocating AP Cost - Multiple Employers 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		5,000.00		105,000.00	
Year 1	100,000.00	0.0%	5,000.00	0.0%	105,000.00	0.0%
Year 2	100,000.00	0.0%	5,000.00	0.0%	105,000.00	0.0%
Year 3	100,000.00	0.0%	5,000.00	0.0%	105,000.00	0.0%
Year 4	110,000.00	10.0%	7,500.00	50.0%	117,500.00	11.9%
Total	410,000.00		22,500.00		432,500.00 (a)	

Monthly FRE	9,010.42
Pension	3,154.10
Factor	174.5646
PV	550,594.20 (c)

Limit Wages Adjusted for Annual Increase Limits

Limit	Year	Wages	% Increase	Wages	% Increase	Total	% Increase
	Year 0	100,000.00		5,000.00		105,000.00	
6.00%	Year 1	100,000.00		5,000.00		105,000.00	0.0%
6.00%	Year 2	100,000.00		5,000.00		105,000.00	0.0%
6.00%	Year 3	100,000.00		5,000.00		105,000.00	0.0%
6.00%	Year 4	106,000.00		5,300.00		111,300.00	6.0%
	Total	406,000.00		20,300.00		426,300.00 (b)	

Monthly FRE	8,881.25
Pension	3,108.88
Factor	174.5646
PV	542,700.39 (d)

Excess in FRE	4,000.00	2,200.00	6,200.00 (a - b)
% of Total Excess	64.52%	35.48%	
AP Amount			7,893.81 (c - d)
Allocate AP	5,092.78	2,801.03	7,893.81