

**Table 1**

<b>BASE CASE DECLINING SCENARIO</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>
Normal Cost Rate			13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
Amortization of UAAL			13.7%	15.7%	15.8%	23.6%	25.7%	27.8%	31.6%	35.4%	38.9%
<b>Total Annual Employer Contribution Rate</b>	<b>13.4%</b>	<b>\$130M<sup>(1)</sup></b>	<b>26.9%</b>	<b>28.9%</b>	<b>29.0%</b>	<b>36.8%</b>	<b>38.8%</b>	<b>40.9%</b>	<b>44.7%</b>	<b>48.5%</b>	<b>52.1%</b>
Normal Cost (\$M)			\$75.3	\$75.2	\$78.6	\$82.0	\$85.5	\$89.1	\$92.8	\$96.8	\$100.9
Amortization Cost of UAAL (\$M)			\$87.7	\$90.1	\$94.7	\$147.2	\$166.8	\$188.3	\$223.1	\$260.6	\$298.9
<b>Total Annual Employer Contribution (\$M)</b>	<b>\$73.2</b>	<b>\$130.0</b>	<b>\$163.0</b>	<b>\$165.3</b>	<b>\$173.3</b>	<b>\$229.2</b>	<b>\$252.3</b>	<b>\$277.4</b>	<b>\$315.9</b>	<b>\$357.4</b>	<b>\$399.8</b>
UAAL (\$M)	\$1,369	\$1,540	\$1,546	\$1,576	\$1,695	\$1,806	\$2,007	\$2,185	\$2,317	\$2,450	\$2,588
<b>Funded Ratio</b>	<b>65.8%</b>	<b>65.6%</b>	<b>67.9%</b>	<b>69.6%</b>	<b>70.0%</b>	<b>70.7%</b>	<b>70.2%</b>	<b>70.3%</b>	<b>71.0%</b>	<b>71.8%</b>	<b>72.5%</b>
Net Total Operating Budget <sup>(2)</sup> (\$M)	\$1,800	\$1,901	\$2,017	\$2,077	\$2,140	\$2,204	\$2,270	\$2,338	\$2,408	\$2,480	\$2,555
<b>% of Net Total Operating Budget</b>	<b>4.1%</b>	<b>6.8%</b>	<b>8.1%</b>	<b>8.0%</b>	<b>8.1%</b>	<b>10.4%</b>	<b>11.1%</b>	<b>11.9%</b>	<b>13.1%</b>	<b>14.4%</b>	<b>15.6%</b>

<sup>(1)</sup> Fixed amount per Gleason Settlement terms.  
<sup>(2)</sup> Assumes 3% growth rate from FY07 through FY14.