

Retirement Plan Design Option Highlights
New Hires, with Possible Application to Current Workers

	Class A	Class B
Option A: DB plan	<ul style="list-style-type: none"> • Normal retirement eligibility: 55/20; 52/25 • Benefit accrual rate: 2.5% • Employee contribution: 10% • COLA based on inflation and tied to plan funding level: up to 4% when funding level is >90%; up to 3% when funding level is 80% to 90%; up to 2% when funding level is 70% to 80%; zero when funding level is <70% • No COLA payable until age 55 • Early retirement based on actuarial reduction in benefit level 	<ul style="list-style-type: none"> • Normal retirement eligibility: 65/5, 62/20 • Benefit accrual rate: 1.5% • Employee contribution: 4% • COLA based on inflation and tied to plan funding level: up to 3% when funding level is >90%; up to 2% when funding level is 80% to 90%; up to 1% when funding level is 70% to 80%; zero when funding level is <70% • No COLA payable until age 65 • Early retirement based on actuarial reduction in benefit level
Option B: Hybrid plan	<ul style="list-style-type: none"> • Normal DB plan retirement eligibility: 55/20, 52/25 • Benefit accrual rate: 1.75% • DB plan employee contribution: 8% • Employer contributes 5% to DC plan • COLA based on inflation and tied to plan funding level: up to 4% when funding level is >90%; up to 3% when funding level is 80% to 90%; up to 2% when funding level is 70% to 80%; zero when funding level is <70% • No COLA payable until age 55 • Early retirement based on actuarial reduction in benefit level 	<ul style="list-style-type: none"> • Normal DB plan retirement eligibility: 65/5, 62/20 • Benefit accrual rate: 1.0% • DB plan employee contribution: 3% • Employee and employer each contributes 3% to DC plan, and employer matches up to 2% of employee contribution, for a potential DC contribution of 10% • COLA based on inflation and tied to plan funding level: up to 3% when funding level is >90%; up to 2% when funding level is 80% to 90%; up to 1% when funding level is 70% to 80%; zero when funding level is <70% • No COLA payable until age 65 • Early retirement based on actuarial reduction in benefit level