

APPENDIX C: OLD AVERAGING PERIOD FORMULAS

January 1, 1993 through December 31, 1997 Averaging Period Formula

Your benefit under the current formula equals the sum of:

Your total eligible compensation during 1/1/93 – 12/31/97	÷	Years in averaging period (five years)	X	Your net credited service as of the end of the averaging period	X	Benefit multiplier 1.4% (.014)
PLUS						
		Total eligible compensation for 1/1/98 through 12/31/98	X	Benefit multiplier 1.4% (.014)		

*Any of your lump sum merit payments and team management incentive compensation plan awards that were paid in December 1997 count as compensation paid after December 31, 1998. This means such payments are not included for purposes of your averaging period, but are included as eligible compensation paid after the applicable averaging period.

Transition Formula

If you have net credited service *before January 1, 1997*, your pension will also be calculated under the transition formula, which uses a January 1, 1991 through December 31, 1996 averaging period and net credited service through December 31, 2000.

Here is how your pension will be calculated using the transition formula:

Your total eligible compensation for January 1, 1991 – December 31, 1996	÷	Years in averaging period (six years)	X	Net credited service as of December 31, 2000 (or the date you terminate if earlier)	X	Benefit multiplier 1.6% (.016)
--	---	---------------------------------------	---	---	---	--------------------------------

January 1, 1987 Through December 31, 1992 Averaging Period Formula

Your benefit under this formula equals the sum of:

Your total eligible compensation during 1/1/87 through 12/31/92	÷	Years in averaging period (six years)	X	Your net credited service as of the end of the averaging period	X	Benefit multiplier 1.6% (.016)
---	---	---------------------------------------	---	---	---	--------------------------------

PLUS

Total eligible compensation for 1/1/93 through 12/31/97	X	Benefit multiplier 1.6% (.016)
---	---	--------------------------------

January 1, 1987 Through December 31, 1989 Averaging Period Formula

Your benefit under this formula equals the sum of:

Your total eligible compensation during 1/1/87 through 12/31/89	÷	Years in averaging period (three years)	X	Your net credited service as of the end of the averaging period	X	Benefit multiplier 1.5% (.015)
---	---	---	---	---	---	--------------------------------

PLUS

Total eligible compensation for 1/1/90 through 12/31/97	X	Benefit multiplier 1.6% (.016)
---	---	--------------------------------

All Other Averaging Periods Formula

Your benefit under these formulas equals the sum of:

Your total eligible compensation during the averaging period*	÷	Years in averaging period	X	Your net credited service as of the end of the averaging period	X	Benefit multiplier 1.6% (.016)
<i>PLUS</i>						
		Total eligible compensation after end of averaging period* through 12/31/97	X	Benefit multiplier 1.6% (.016)		

* The averaging period is one of the following: January 1, 1984 through December 31, 1986; January 1, 1978 through June 30, 1985; October 1, 1977 through September 30, 1982; October 1, 1976 through September 30, 1981; or January 1, 1975 through December 31, 1979.