

Example of Extreme Financial Impact of SB 560 - Tier 2 Member Example Using Actual 2016 IAP Ending Balance

December of...	Annual 6% Member Contribution	Annual rate of return @ 7.75%	Ending Year IAP Balance	Under SB 560 Annual rate of return @ 7.75%	Under SB 560 Ending Year IAP Balance	Loss due to SB 560, by year
2016	Actual ending balance for 2016		\$71,000		\$71,000	\$0
2017	\$4,320	\$5,503	\$80,823		\$80,823	\$0
2018	\$4,320	\$6,264	\$91,406	\$6,264	\$87,086	(\$4,320)
2019	\$4,320	\$7,084	\$102,810	\$6,749	\$93,835	(\$8,975)
2020	\$4,320	\$7,968	\$115,098	\$7,272	\$101,108	(\$13,990)
2021	\$4,320	\$8,920	\$128,338	\$7,836	\$108,944	(\$19,395)
2022	\$4,320	\$9,946	\$142,604	\$8,443	\$117,387	(\$25,218)
2023	\$4,320	\$11,052	\$157,976	\$9,097	\$126,484	(\$31,492)
2024	\$4,320	\$12,243	\$174,539	\$9,803	\$136,287	(\$38,253)
2025	\$4,320	\$13,527	\$192,386	\$10,562	\$146,849	(\$45,537)
2026	\$4,320	\$14,910	\$211,616	\$11,381	\$158,230	(\$53,386)
2027	\$4,320	\$16,400	\$232,336	\$12,263	\$170,492	(\$61,844)
2028	\$4,320	\$18,006	\$254,662	\$13,213	\$183,706	(\$70,957)
2029	\$4,320	\$19,736	\$278,719	\$14,237	\$197,943	(\$80,776)
2030	\$4,320	\$21,601	\$304,639	\$15,341	\$213,283	(\$91,356)
2031	\$4,320	\$23,610	\$332,569	\$16,529	\$229,813	(\$102,756)
2032	\$4,320	\$25,774	\$362,663	\$17,810	\$247,623	(\$115,040)
2033	\$4,320	\$28,106	\$395,089	\$19,191	\$266,814	(\$128,275)
2034	\$4,320	\$30,619	\$430,029	\$20,678	\$287,492	(\$142,537)
2035	\$4,320	\$33,327	\$467,676	\$22,281	\$309,773	(\$157,903)
2036	\$4,320	\$36,245	\$508,241	\$24,007	\$333,780	(\$174,461)
2037	\$4,320	\$39,389	\$551,950	\$25,868	\$359,648	(\$192,301)