



**HRM**

Pension Benefits Member Survey

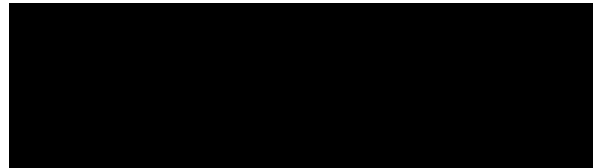
December 1, 2016

Findings Report

# Today's Discussion

- Welcome and Introductions
- Project Overview
- Key Findings
- Conjoint Analysis Findings
- Portfolios for Consideration
- Traditional Survey Item Results

# Project Overview



# HRM's Objectives for the Pension Benefits Member Survey



- HRM Pension Office partnered with Willis Towers Watson to conduct a survey of all active members to evaluate members' preferences and ratings:

- Pension benefits they value
- Alternatives they may be willing to hypothetically trade-off
- Tolerance for contribution rate increases
- Communications (ratings and preferences)



- Survey data able to be analyzed by key segments, such as by PSO status, age and union status

## Survey enhancements from 2009 study

- Conducted Pre-survey focus group to test and then refine survey content
- Survey format and methodology
  - Allowed us to include the change in contribution rates for each pension feature level tested
- Pop-up features
  - Allowed us to include greater explanation of pension feature terminology
- Entire survey was available online

# Survey Background



- Three survey versions were created to accommodate the following audiences:
  - Non-PSO
  - PSO with Rule of 75
  - PSO with Rule of 80
- Seven components were tested using the conjoint survey, with two to five features for each component, with the vast majority being a reduction in benefit for the member (*see following slides for components and features tested for each audience*)
- The survey consisted of the following survey questions:
  - One overall rating question
  - Up to 21 total conjoint questions
  - Seven non-conjoint (traditional) survey items
- Note the following differences among the three survey versions:
  - Current contribution rates
  - Changes to contribution rates
  - Normal retirement age
  - Earliest unreduced retirement
- All members were required to complete the survey online
  - The majority of members were invited via email to participate in the survey
  - Members without an email address on file were invited via a postcard mailed to their home (n=577)
  - Of the more than 5,700 invited members, just shy of 1,200 completed, for an overall response rate of 20%
    - The response rate is slightly lower than the 24% response rate from the 2009 study

# Key Findings Overall

## Across all three PSO-audiences



- Current pension benefits package is strongly valued by members
- Contribution rate changes (both positive and negative) have one of the lowest impacts on member perception of value
- “Pension formula earnings averaging period over ones’ entire career”, followed by a “reduced pension formula”, has the most negative impact on member value
- The following benefit changes have the least negative impact on members:
  - Increasing member contribution rates by up to 1.25% (non-PSO)/1.10% (PSO)
  - Target pension increases after retirement at 60% of increase in cost of living
- When asked directly, 2% accrual rate in the pension formula is most-valued pension feature; conversely, the survivor pension of 66 $\frac{2}{3}$ % is least-valued
- Majority of members understand their pension benefit and feel they get the information they need
- Email is the most preferred communication channel, followed by printed materials
- Overall, results are consistent with findings from the 2009 study:
  - Best average earnings had highest impact on decision-making for most members
  - Members were also highly sensitive to any changes in pension formula and to the period for best average earning
  - Models showing changes in contribution rates, increasing or decreasing, show minimal reaction from members

## Key Findings by PSO Group

In addition to the overall findings on the prior slide, the following are observations unique to each audience

non-PSO	PSO-75	PSO-80
<ul style="list-style-type: none"><li>• When compared with PSO-75 and PSO-80 members<ul style="list-style-type: none"><li>• Most sensitive to increases in contribution rates</li><li>• Strongest positive reaction to contribution rate decreases</li></ul></li><li>• Potential opportunity for consideration (significant reduction in contribution rate with little negative impact on member perception):<ul style="list-style-type: none"><li>• No early retirement reduction if age 60; or age 55 and Rule of 80</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Potential opportunities for consideration :<ul style="list-style-type: none"><li>• No early retirement reduction if age 60; or age 55 and Rule of 75 (significant reduction in contribution rate with little negative impact on member perception)</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Neutral to increases in contribution rates</li><li>• Potential opportunities for consideration (significant to moderate reduction in contribution rate with moderate to little negative impact on member perception)<ul style="list-style-type: none"><li>• No early retirement reduction if age 60; or age 55 and Rule of 80</li><li>• Maximum pension fixed at 2016 limit</li><li>• No early retirement reduction if age 60 or Rule of 85</li><li>• No early retirement reduction if age 60 or Rule of 84</li></ul></li></ul>

**Greatest opportunity for consideration (greatest reduction in contribution rate and minimal negative impact on member perception) is within the earliest unreduced retirement component**

# The Survey Experience – Contribution is Impacted Actuarially For Each Change non-PSO

Please select your preferred level for each pension feature shown below.

Your current pension contribution rate is: 12.21%. This is the percentage that is deducted from your base pay. Each time you pick an option below, you will see to the right how your choice would decrease or increase your current contribution rate.

Pension Component	Select Feature	Impact on Your Contribution Rate
Pension Formula Earnings Averaging Period	<input type="radio"/> Your average <a href="#">earnings</a> over your <b>entire career</b> (your contribution rate will decrease 1.15%) <input type="radio"/> Your 5 highest paid consecutive years of <a href="#">earnings</a> (your contribution rate will decrease 0.20%) <input type="radio"/> Your 3 highest paid consecutive years of <a href="#">earnings</a> (Current Feature — No change to current contribution rate)	0 %
Pension Formula	<input type="radio"/> <b>Reduced</b> formula of <a href="#">1.4% / 2%</a> of your average earnings (average earnings period would be as selected above) multiplied by your <a href="#">credited service</a> (your contribution rate will decrease 1.85%) <input type="radio"/> 2% of your average earnings multiplied by your <a href="#">credited service</a> (Current Feature — No change to current contribution rate)	0 %
Maximum Pension	<input type="radio"/> <a href="#">Maximum pension fixed</a> at 2016 limit (your contribution rate will decrease 0.05%) <input type="radio"/> <a href="#">Maximum pension increasing</a> based on the <a href="#">Income Tax Limit</a> in effect at your retirement (2016 limit is in effect today and will increase each year) (Current Feature — No change to current contribution rate)	0 %
Normal Retirement Age	<input type="radio"/> <b>Increases</b> to age 66 (your contribution rate will decrease 0.10%) <input type="radio"/> <b>Remains</b> at age <a href="#">65</a> (Current Feature — No change to current contribution rate)	0 %
Earliest Unreduced Retirement	<input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 85</a> (your contribution rate will decrease 0.70%) <input type="radio"/> No early retirement reduction if: Age 60; or Age 55 and <a href="#">Rule of 80</a> (your contribution rate will decrease 0.60%) <input type="radio"/> No early retirement reduction if <a href="#">Rule of 80</a> (your contribution rate will decrease 0.15%) <input type="radio"/> No early retirement reduction if: Age 60 with 10 years of continuous service or <a href="#">Rule of 80</a> (your contribution rate will decrease 0.05%) <input type="radio"/> No <a href="#">early retirement</a> reduction if: Age 60 or <a href="#">Rule of 80</a> (Current Feature — No change to current contribution rate)	0 %
Surviving Spouse Pension	<input type="radio"/> <a href="#">Surviving spouse</a> receives <a href="#">66 ⅔%</a> of your <a href="#">reduced pension</a> (your contribution rate will decrease 0.30%) <input type="radio"/> <a href="#">Surviving spouse</a> receives <a href="#">60%</a> of your <a href="#">full pension</a> (your contribution rate will decrease 0.05%) <input type="radio"/> <a href="#">Surviving spouse</a> receives <a href="#">66 ⅔%</a> of your <a href="#">full pension</a> (Current Feature — No change to current contribution rate)	0 %
Pension Increases After Retirement	<input type="radio"/> Pension increase to reflect a portion of the increase in the cost of living (inflation) if the <a href="#">Affordability Test</a> is met (Current Feature — No change to current contribution rate) <input type="radio"/> <a href="#">Target</a> increase of 60% of increase in cost of living (inflation) (your contribution rate will increase 1.25%)	0 %
<b>Total Contribution Rate</b>		12.21 %



# Pension Benefit Features Tested – non-PSO

Pension Component	Pension Feature Changes Tested					
	Level 1	Level 2	Level 3	Level 4	Level 5 (Current State)	Level 6
Pension Formula Earnings Averaging Period			Your average earnings over your entire career	Your 5 highest paid consecutive years of earnings	Your 3 highest paid consecutive years of earnings	
Pension Formula				Reduced formula of 1.4% / 2% of your average earnings multiplied by your credited service	2% of your average earnings multiplied by your credited service	
Maximum Pension				Maximum pension fixed at 2016 limit	Maximum pension increasing based on the Income Tax Limit in effect at your retirement	
Normal Retirement Age				Increases to age 66	Remains at age 65	
Earliest Unreduced Retirement	None if: Age 60 or Rule of 85	None if: Age 60; or Age 55 and Rule of 80	None if: Rule of 80	None if: Age 60 with 10 years of cont. service or Rule of 80	None if: Age 60 or Rule of 80	
Surviving Spouse Pension			Surviving spouse receives 66 ⅔% of your reduced pension	Surviving spouse receives 60% of your full pension	Surviving spouse receives 66 ⅔% of your full pension	
Pension Increases After Retirement					Pension increase to reflect a portion of the increase in the cost of living (inflation) if the Affordability Test is met	Target increase of 60% of increase in cost of living (inflation)

# The Survey Experience – Contribution is Impacted Actuarially For Each Change

## PSO-75

Please select your preferred level for each pension feature shown below.

Your current pension contribution rate is: 12.56%. This is the percentage that is deducted from your base pay. Each time you pick an option below, you will see to the right how your choice would decrease or increase your current contribution rate.

Pension Component	Select Feature	Impact on Your Contribution Rate
Pension Formula Earnings Averaging Period	<input type="radio"/> Your average <a href="#">earnings</a> over your <b>entire career</b> (your contribution rate will decrease 2.00%) <input type="radio"/> Your 5 highest paid consecutive years of <a href="#">earnings</a> (your contribution rate will decrease 0.20%) <input type="radio"/> Your 3 highest paid consecutive years of <a href="#">earnings</a> (Current Feature — No change to current contribution rate)	0 %
Pension Formula	<input type="radio"/> <b>Reduced</b> formula of <a href="#">1.4% / 2%</a> of your average earnings (average earnings period would be as selected above) multiplied by your <a href="#">credited service</a> (your contribution rate will decrease 1.15%) <input type="radio"/> 2% of your average earnings multiplied by your <a href="#">credited service</a> (Current Feature — No change to current contribution rate)	0 %
Maximum Pension	<input type="radio"/> <a href="#">Maximum pension fixed</a> at 2016 limit (your contribution rate will decrease 0.35%) <input type="radio"/> <a href="#">Maximum pension increasing</a> based on the <a href="#">Income Tax Limit</a> in effect at your retirement (2016 limit is in effect today and will increase each year) (Current Feature — No change to current contribution rate)	0 %
Normal Retirement Age	<input type="radio"/> <b>Increases</b> to age 61 (your contribution rate will decrease 0.15%) <input type="radio"/> <b>Remains</b> at age <a href="#">Age 60</a> (Current Feature — No change to current contribution rate)	0 %
Earliest Unreduced Retirement	<input type="radio"/> No early retirement reduction if: Age 60; or Age 55 and <a href="#">Rule of 75</a> (your contribution rate will decrease 0.80%) <input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 80</a> (your contribution rate will decrease 0.60%) <input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 79</a> (your contribution rate will decrease 0.50%) <input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 77</a> (your contribution rate will decrease 0.25%) <input type="radio"/> No <a href="#">early retirement</a> reduction if: Age 60 or <a href="#">Rule of 75</a> (Current Feature — No change to current contribution rate)	0 %
Surviving Spouse Pension	<input type="radio"/> <a href="#">Surviving spouse</a> receives <a href="#">66 2/3%</a> of your <b>reduced pension</b> (your contribution rate will decrease 0.30%) <input type="radio"/> <a href="#">Surviving spouse</a> receives <a href="#">60%</a> of your <b>full pension</b> (your contribution rate will decrease 0.05%) <input type="radio"/> <a href="#">Surviving spouse</a> receives <a href="#">66 2/3%</a> of your <b>full pension</b> (Current Feature — No change to current contribution rate)	0 %
Pension Increases After Retirement	<input type="radio"/> Pension increase to reflect a portion of the increase in the cost of living (inflation) if the <a href="#">Affordability Test</a> is met (Current Feature — No change to current contribution rate) <input type="radio"/> <b>Target</b> increase of 60% of increase in cost of living (inflation) (your contribution rate will increase 1.10%)	0 %
<b>Total Contribution Rate</b>		12.56 %

# Pension Benefit Features Tested – PSO-75

Pension Component	Pension Feature Changes Tested					
	Level 1	Level 2	Level 3	Level 4	Level 5 (Current State)	Level 6
Pension Formula Earnings Averaging Period			Your average earnings over your entire career	Your 5 highest paid consecutive years of earnings	Your 3 highest paid consecutive years of earnings	
Pension Formula				Reduced formula of 1.4% / 2% of your average earnings multiplied by your credited service	2% of your average earnings multiplied by your credited service	
Maximum Pension				Maximum pension fixed at 2016 limit	Maximum pension increasing based on the Income Tax Limit in effect at your retirement	
Normal Retirement Age				Increases to age 61	Remains at age 60	
Earliest Unreduced Retirement	None if: Age 60; or Age 55 and Rule of 75	None if: Age 60 or Rule of 80	None if: Age 60 or Rule of 79	None if: Age 60 or Rule of 77	None if: Age 60 or Rule of 75	
Surviving Spouse Pension			Surviving spouse receives 66 ⅔% of your reduced pension	Surviving spouse receives 60% of your full pension	Surviving spouse receives 66 ⅔% of your full pension	
Pension Increases After Retirement					Pension increase to reflect a portion of the increase in the cost of living (inflation) if the Affordability Test is met	Target increase of 60% of increase in cost of living (inflation)

# The Survey Experience – Contribution is Impacted Actuarially For Each Change

## PSO-80

Please select your preferred level for each pension feature shown below.

Your current pension contribution rate is: 12.21%. This is the percentage that is deducted from your base pay. Each time you pick an option below, you will see to the right how your choice would decrease or increase your current contribution rate.

Pension Component	Select Feature	Impact on Your Contribution Rate
Pension Formula Earnings Averaging Period	<input type="radio"/> Your average <a href="#">earnings</a> over your <b>entire career</b> (your contribution rate will decrease 2.00%) <input type="radio"/> Your 5 highest paid consecutive years of <a href="#">earnings</a> (your contribution rate will decrease 0.20%) <input type="radio"/> Your 3 highest paid consecutive years of <a href="#">earnings</a> (Current Feature — No change to current contribution rate)	0 %
Pension Formula	<input type="radio"/> <b>Reduced</b> formula of <b>1.4% / 2%</b> of your average earnings (average earnings period would be as selected above) multiplied by your <a href="#">credited service</a> (your contribution rate will decrease 1.15%) <input type="radio"/> 2% of your average earnings multiplied by your <a href="#">credited service</a> (Current Feature — No change to current contribution rate)	0 %
Maximum Pension	<input type="radio"/> <a href="#">Maximum pension fixed</a> at 2016 limit (your contribution rate will decrease 0.35%) <input type="radio"/> <a href="#">Maximum pension increasing</a> based on the <i>Income Tax Limit</i> in effect at your retirement (2016 limit is in effect today and will increase each year) (Current Feature — No change to current contribution rate)	0 %
Normal Retirement Age	<input type="radio"/> <b>Increases</b> to age 61 (your contribution rate will decrease 0.15%) <input type="radio"/> <b>Remains</b> at age <a href="#">Age 60</a> (Current Feature — No change to current contribution rate)	0 %
Earliest Unreduced Retirement	<input type="radio"/> No early retirement reduction if: Age 60; or Age 55 and <a href="#">Rule of 80</a> (your contribution rate will decrease 0.80%) <input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 85</a> (your contribution rate will decrease 0.60%) <input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 84</a> (your contribution rate will decrease 0.50%) <input type="radio"/> No early retirement reduction if: Age 60 or <a href="#">Rule of 82</a> (your contribution rate will decrease 0.25%) <input type="radio"/> No <a href="#">early retirement</a> reduction if: Age 60 or <a href="#">Rule of 80</a> (Current Feature — No change to current contribution rate)	0 %
Surviving Spouse Pension	<input type="radio"/> <a href="#">Surviving spouse</a> receives <b>66 ⅔%</b> of your <b>reduced pension</b> (your contribution rate will decrease 0.30%) <input type="radio"/> <a href="#">Surviving spouse</a> receives <b>60%</b> of your <b>full pension</b> (your contribution rate will decrease 0.05%) <input type="radio"/> <a href="#">Surviving spouse</a> receives <b>66 ⅔%</b> of your <b>full pension</b> (Current Feature — No change to current contribution rate)	0 %
Pension Increases After Retirement	<input type="radio"/> Pension increase to reflect a portion of the increase in the cost of living (inflation) if the <a href="#">Affordability Test</a> is met (Current Feature — No change to current contribution rate) <input type="radio"/> <b>Target</b> increase of <b>60%</b> of increase in cost of living (inflation) (your contribution rate will increase 1.10%)	0 %
<b>Total Contribution Rate</b>		12.21 %

# Pension Benefit Features Tested – PSO-80

Pension Component	Pension Feature Changes Tested					
	Level 1	Level 2	Level 3	Level 4	Level 5 (Current State)	Level 6
Pension Formula Earnings Averaging Period			Your average earnings over your entire career	Your 5 highest paid consecutive years of earnings	Your 3 highest paid consecutive years of earnings	
Pension Formula				Reduced formula of 1.4% / 2% of your average earnings multiplied by your credited service	2% of your average earnings multiplied by your credited service	
Maximum Pension				Maximum pension fixed at 2016 limit	Maximum pension increasing based on the Income Tax Limit in effect at your retirement	
Normal Retirement Age				Increases to age 61	Remains at age 60	
Earliest Unreduced Retirement	None if: Age 60; or Age 55 and Rule of 80	None if: Age 60 or Rule of 85	None if: Age 60 or Rule of 84	None if: Age 60 or Rule of 82	None if: Age 60 or Rule of 80	
Surviving Spouse Pension			Surviving spouse receives 66 ⅔% of your reduced pension	Surviving spouse receives 60% of your full pension	Surviving spouse receives 66 ⅔% of your full pension	
Pension Increases After Retirement					Pension increase to reflect a portion of the increase in the cost of living (inflation) if the Affordability Test is met	Target increase of 60% of increase in cost of living (inflation)

# Response Rates by Key Demographic Groups

Demographic Categories and Segments	Invited Population (N)	Completed Respondents (N)	Invited Population (%)	Completed Respondents (%)	Segment Response Rate (%)
<b>PSO Class</b>					
non-PSO	4,754	947	82.9%	82.9%	19.9%
PSO-75	715	100	12.5%	8.7%	14.0%
PSO-80	263	96	4.6%	8.4%	36.5%
<b>Age Group</b>					
20-29	314	43	5.5%	3.8%	13.7%
30-39	1,056	182	18.4%	15.9%	17.2%
40-49	1,836	367	32.0%	32.1%	20.0%
50-59	2,047	470	35.7%	41.1%	23.0%
More than 60 years	478	81	8.3%	7.1%	16.9%
<b>Union Status</b>					
Non-union	815	301	14.2%	26.3%	36.9%
Union (consolidated)	4,590	801	80.1%	70.1%	17.5%
Unknown	327	41	5.7%	3.6%	12.5%
<b>Gender</b>					
Female	2,529	487	44.1%	42.6%	19.3%
Male	2,984	625	52.1%	54.7%	20.9%
Not specified	219	31	3.8%	2.7%	14.2%

Note: Segments not shown have either a population or a respondent sample with fewer than 10 respondents.

# Response Rates by Key Demographic Groups

Demographic Categories and Segments	Invited Population (N)	Completed Respondents (N)	Invited Population (%)	Completed Respondents (%)	Segment Response Rate (%)
<b>Income Level</b>					
Under \$20,000	450	44	7.9%	3.8%	9.8%
\$20,000 - \$29,999	536	57	9.4%	5.0%	10.6%
\$30,000 - \$39,999	797	130	13.9%	11.4%	16.3%
\$40,000 - \$49,999	1,095	190	19.1%	16.6%	17.4%
\$50,000 - \$59,999	829	178	14.5%	15.6%	21.5%
\$60,000 - \$69,999	353	103	6.2%	9.0%	29.2%
\$70,000 - \$79,999	258	85	4.5%	7.4%	32.9%
\$80,000 - \$89,999	669	120	11.7%	10.5%	17.9%
\$90,000 - \$99,999	175	70	3.1%	6.1%	40.0%
Over \$100,000	248	115	4.3%	10.1%	46.4%
Unknown	322	51	5.6%	4.5%	15.8%
<b>Marital Status</b>					
Single	1,842	297	32.1%	26.0%	16.1%
Married	3,159	741	55.1%	64.8%	23.5%
Unknown	715	104	12.5%	9.1%	14.5%
<b>Employment Status</b>					
Full-time	4,896	1,056	85.4%	92.4%	21.6%
Part-time	836	87	14.6%	7.6%	10.4%

Note: Segments not shown have either a population or a respondent sample with fewer than 10 respondents.

## Response Rates by Key Demographic Groups

Demographic Categories and Segments	Invited Population (N)	Completed Respondents (N)	Invited Population (%)	Completed Respondents (%)	Segment Response Rate (%)
<b>Employer</b>					
HRM	3,409	757	59.5%	66.2%	22.2%
HRSB	1,670	222	29.1%	19.4%	13.3%
Halifax Water	84	32	1.5%	2.8%	38.1%
Halifax Regional Library	296	98	5.2%	8.6%	33.1%
Pension Plan Office	15	13	0.3%	1.1%	86.7%

*Note: Segments not shown have either a population or a respondent sample with fewer than 10 respondents.*



# Member Feedback

## Survey pre-testing and help-desk emails received during survey administration

**SURVEY DIFFICULTY** members expressed difficulty completing the survey due to the nature of the content

- “Difficult to complete if you are unclear how a pension works“
- “I have looked at the survey and cannot understand the math!!! As well the way the survey is made up – it directs you to answers that you do not want to give.”

**VALUE OF CURRENT FEATURES** members expressed not wanting their current pension benefits to change

- “I want no changes to my pension.....my life, my financial life,....and my retirement life choices have all been based on what I was promised coming in the door....that's what I want.....zero changes!”

What members had to say



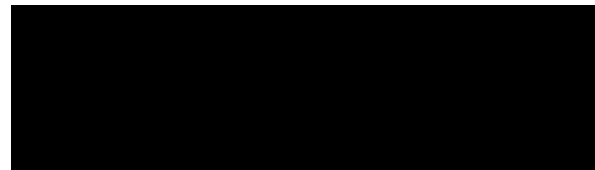
**SKEPTICISM** members expressed concern this survey will be used as justification for reducing the pension benefit

- “I completed the survey, but this survey will not give correct responses, it will give the pension committee ammunition for the committee to change the plan to suit what they feel is best and not what the members think is best.”

**POSITIVE EXPERIENCE** despite the challenging nature of the survey, one member was complimentary

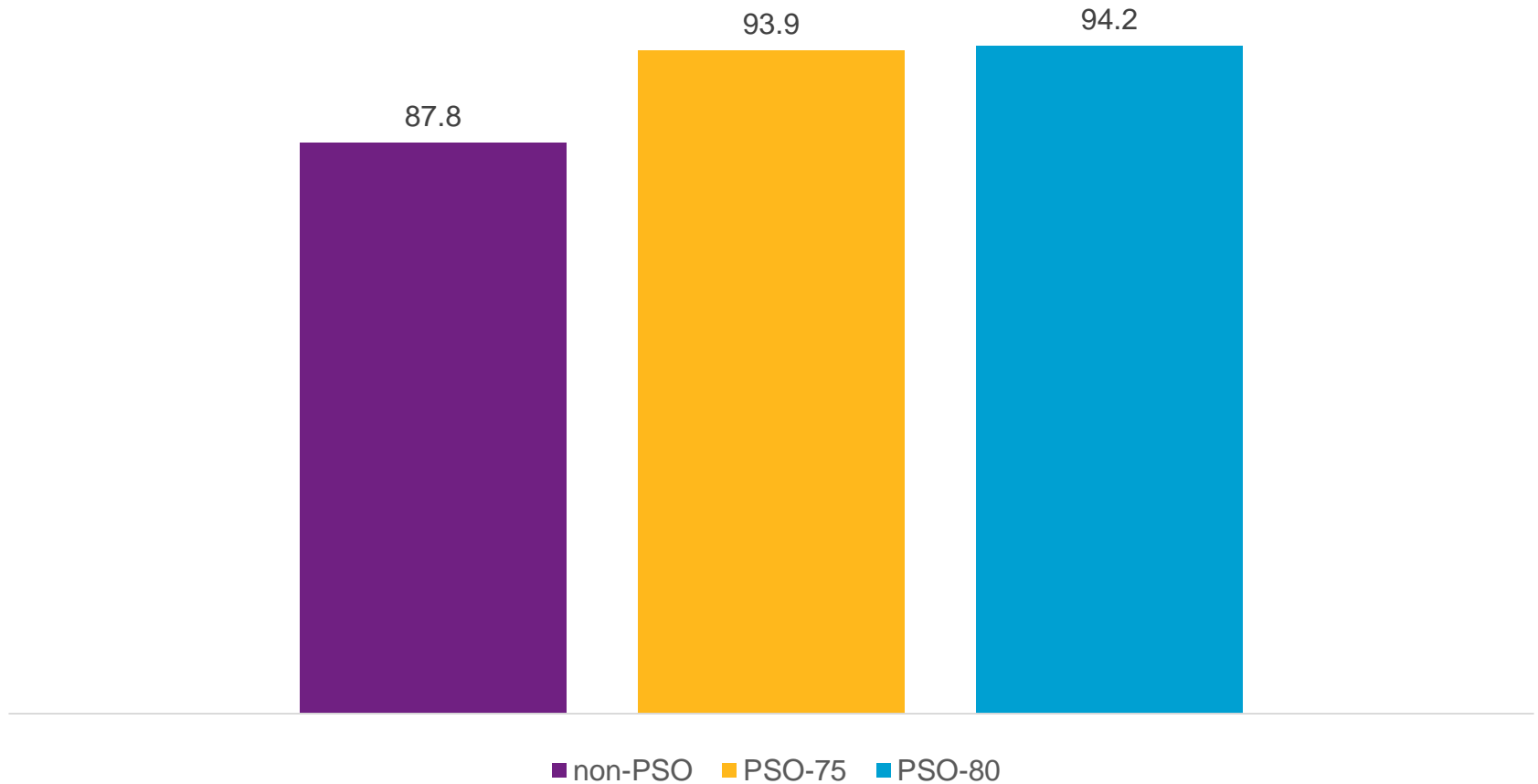
- “I completed the survey. I'm no expert in surveys, but it seemed to me to be a well designed and thorough survey. It was hard to make a choice at times, but hard choices sometimes have to be made. Well done.”

# Conjoint Analysis Findings



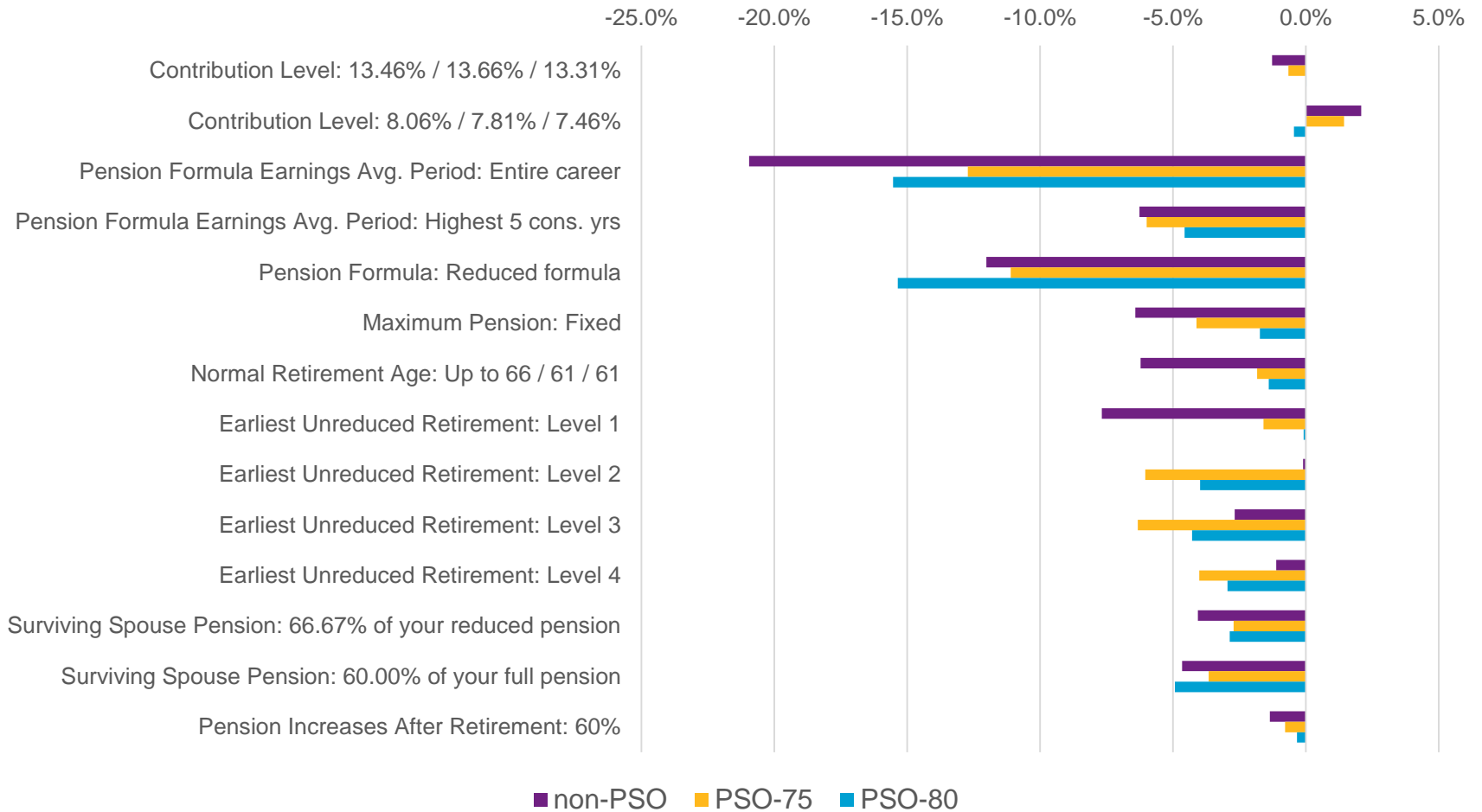
## Baseline Perceived Value of Current Pension Benefits

Members were asked to rate the value of the current pension benefits on a scale of 0-100, with 100 being “extremely valuable”



# Isolated Impact on Member Value for Each Pension Level Tested

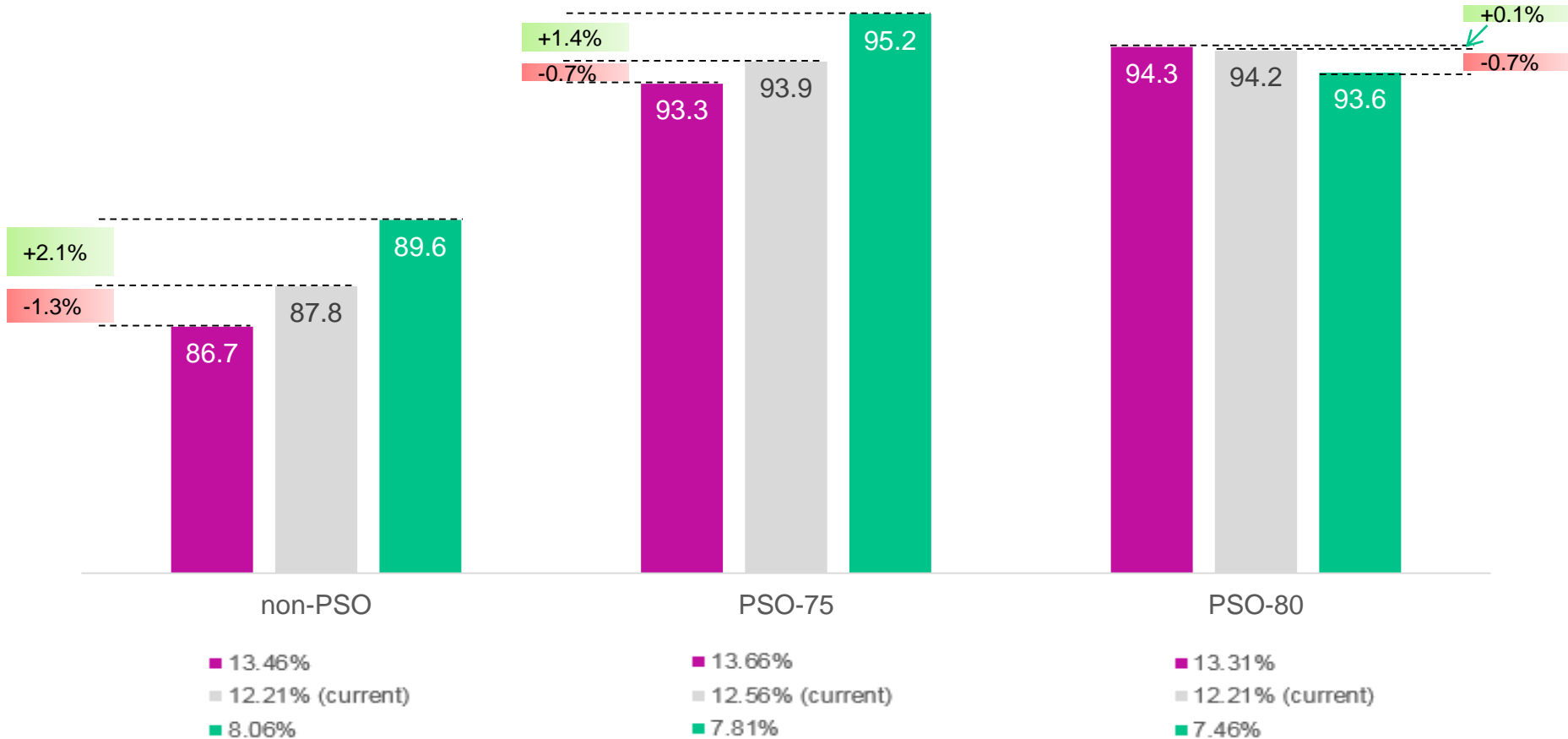
Differences are normalized for a more appropriate comparison across PSO class



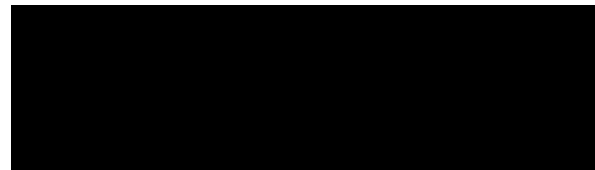
Note: Impacts of various component features on perceived value are not additive due to the "portfolio effect." Impact assumes all other component features remain the same. Changes in perceived value are relative to the current perceived value of 87.8 (non-PSO), 93.9 (PSO-75), and 94.2 (PSO-80), respectively.

# What is Member Tolerance Around Contribution Rates?

Contribution rate changes (+ and -) have one of the lowest impacts on member perception



## Portfolios for Consideration

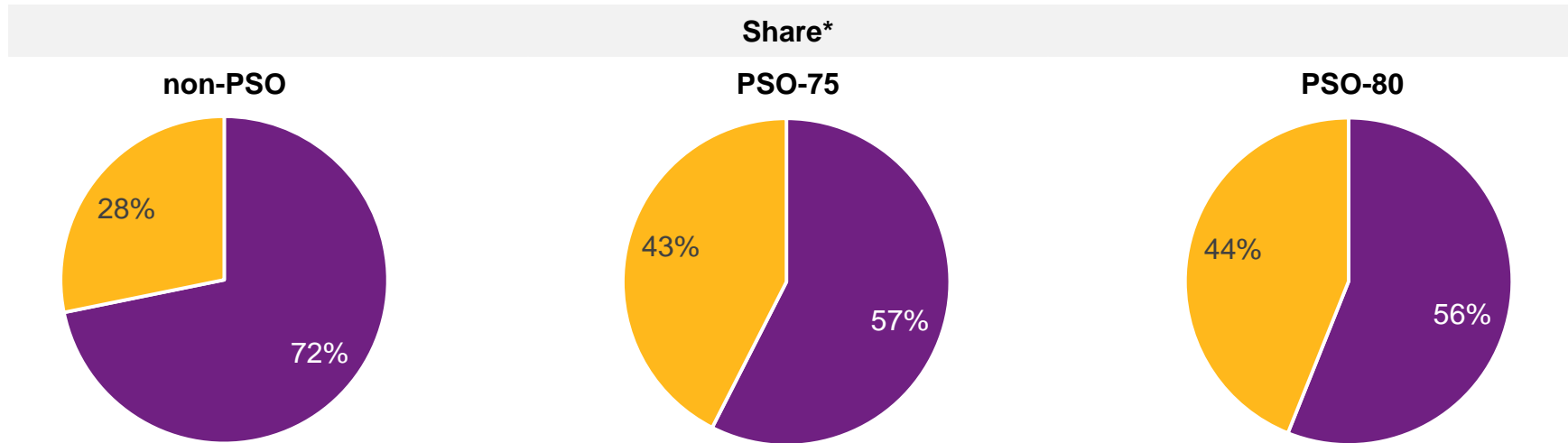


# Comparison of Portfolios for Consideration

## Current offering versus Earliest Unreduced Retirement, level 1

Component	Alternative 1	Alternative 2
Earliest Unreduced Retirement	Current	<b>non-PSO –</b> Age 60 or Rule of 85  <b>PSO-75 –</b> Age 60; or Age 55 and Rule of 75  <b>PSO-80 –</b> Age 60; or Age 55 and Rule of 80
Actuarial Value of Tested Change on Contribution Rate	0.0%	-0.80% / -0.70% / -0.70%

Note: All other components not shown are the same between the two alternatives



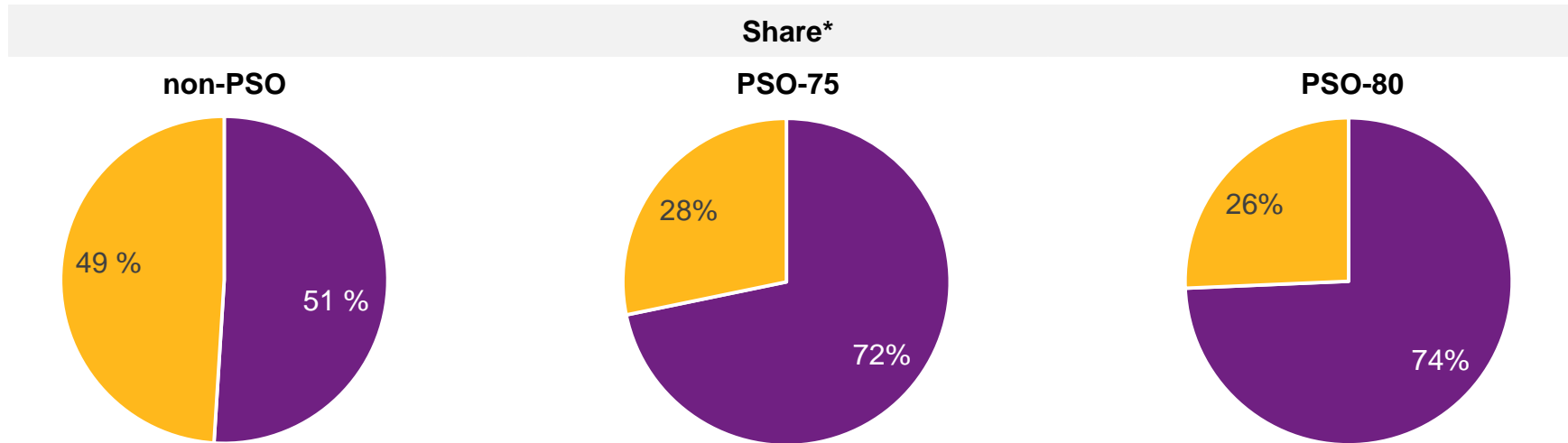
\*Estimated percentage of respondents that would prefer a specific alternative. Share assumes that all other components not shown are the same between the two alternatives.

# Comparison of Portfolios for Consideration

## Current offering versus Earliest Unreduced Retirement, level 2

Component	Alternative 1	Alternative 2
Earliest Unreduced Retirement	Current	<b>non-PSO –</b> Age 60; or Age 55 and Rule of 80  <b>PSO-75 –</b> Age 60 or Rule of 80  <b>PSO-80 –</b> Age 60 or Rule of 85
Actuarial Value of Tested Change on Contribution Rate	0.0%	-0.60%

Note: All other components not shown are the same between the two alternatives



\*Estimated percentage of respondents that would prefer a specific alternative. Share assumes that all other components not shown are the same between the two alternatives.

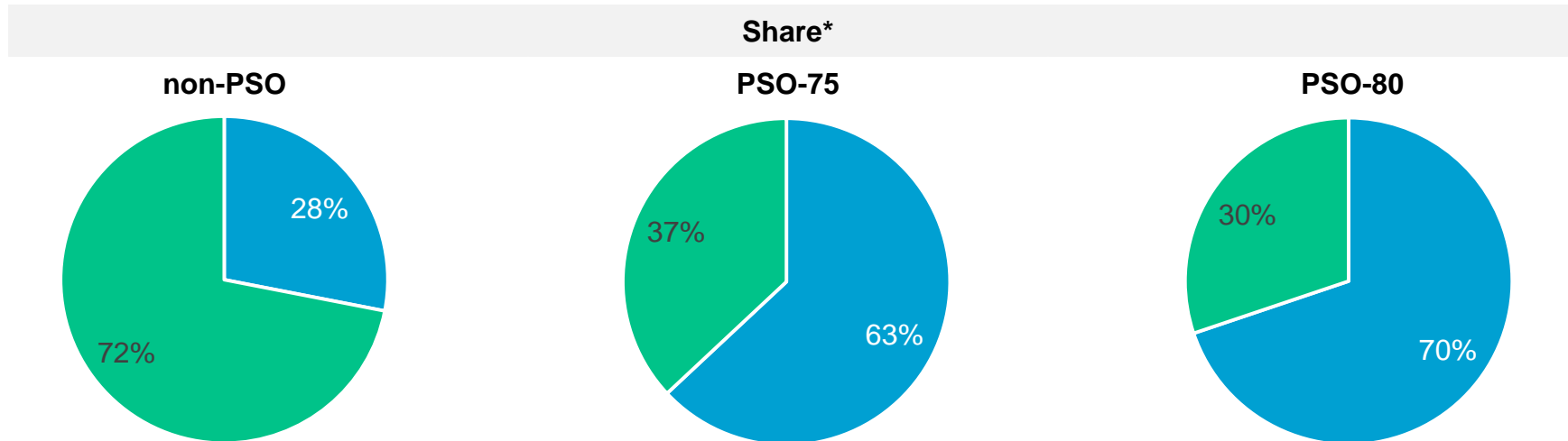


# Comparison of Portfolios for Consideration

## Earliest Unreduced Retirement, level 1 versus level 2

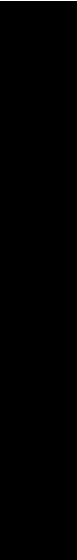
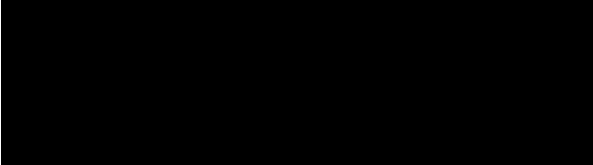
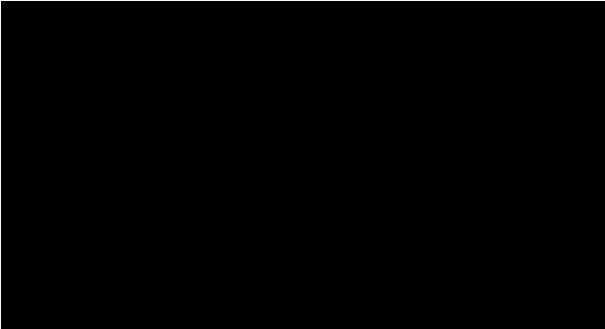
Component	Alternative 1	Alternative 2
Earliest Unreduced Retirement	<p><b>non-PSO –</b> Age 60 or Rule of 85</p> <p><b>PSO-75 –</b> Age 60; or Age 55 and Rule of 75</p> <p><b>PSO-80 –</b> Age 60; or Age 55 and Rule of 80</p>	<p><b>non-PSO –</b> Age 60; or Age 55 and Rule of 80</p> <p><b>PSO-75 –</b> Age 60 or Rule of 80</p> <p><b>PSO-80 –</b> Age 60 or Rule of 85</p>
Actuarial Value of Tested Change on Contribution Rate	-0.80% / -0.70% / -0.70%	-0.60%

Note: All other components not shown are the same between the two alternatives



\*Estimated percentage of respondents that would prefer a specific alternative. Share assumes that all other components not shown are the same between the two alternatives.

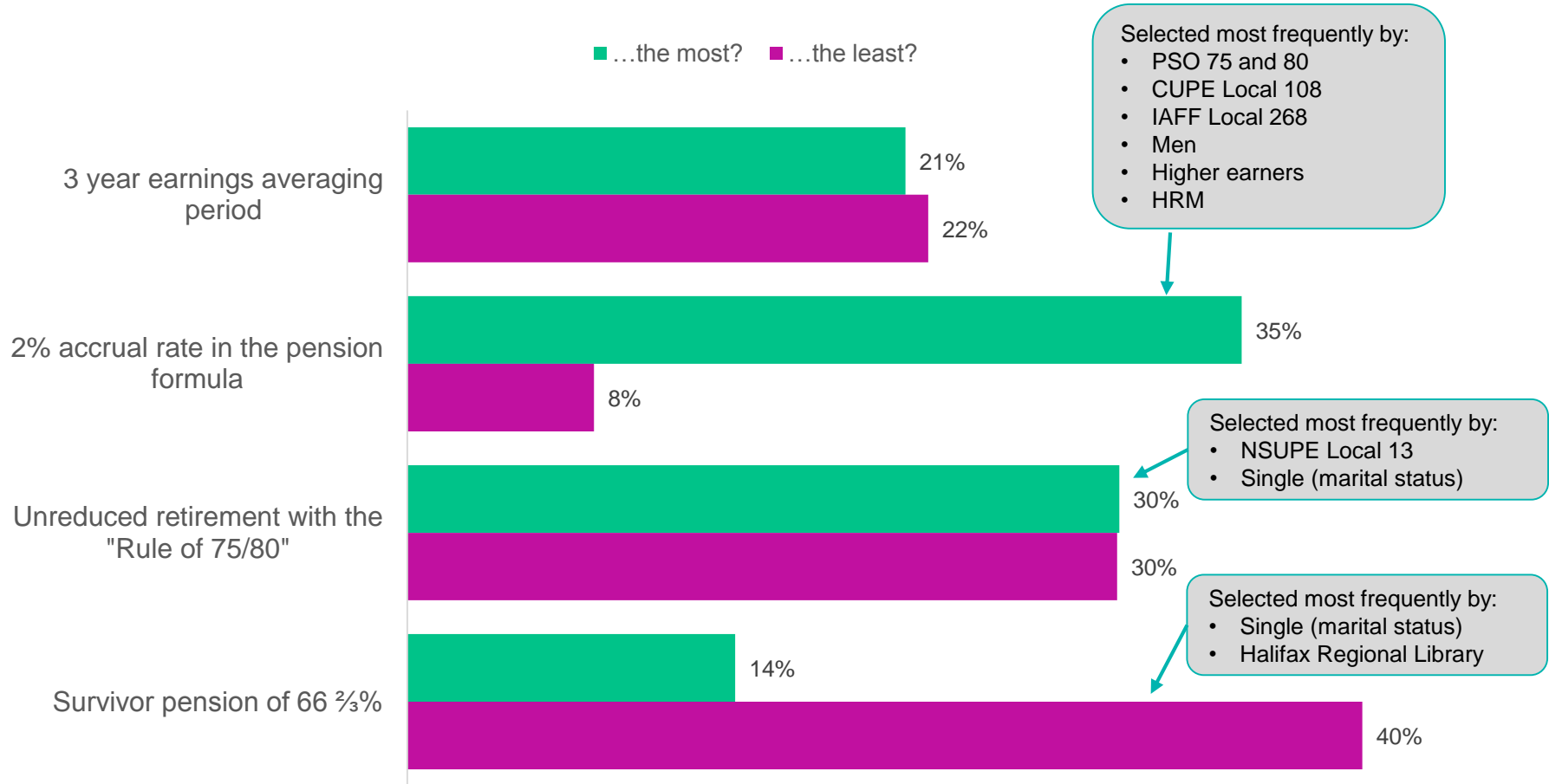
# Traditional Survey Item Results



# Most/least Valued Pension Features (self-selected)

2% accrual rate in the pension formula is valued most; conversely, the survivor pension of 66⅔% is valued least

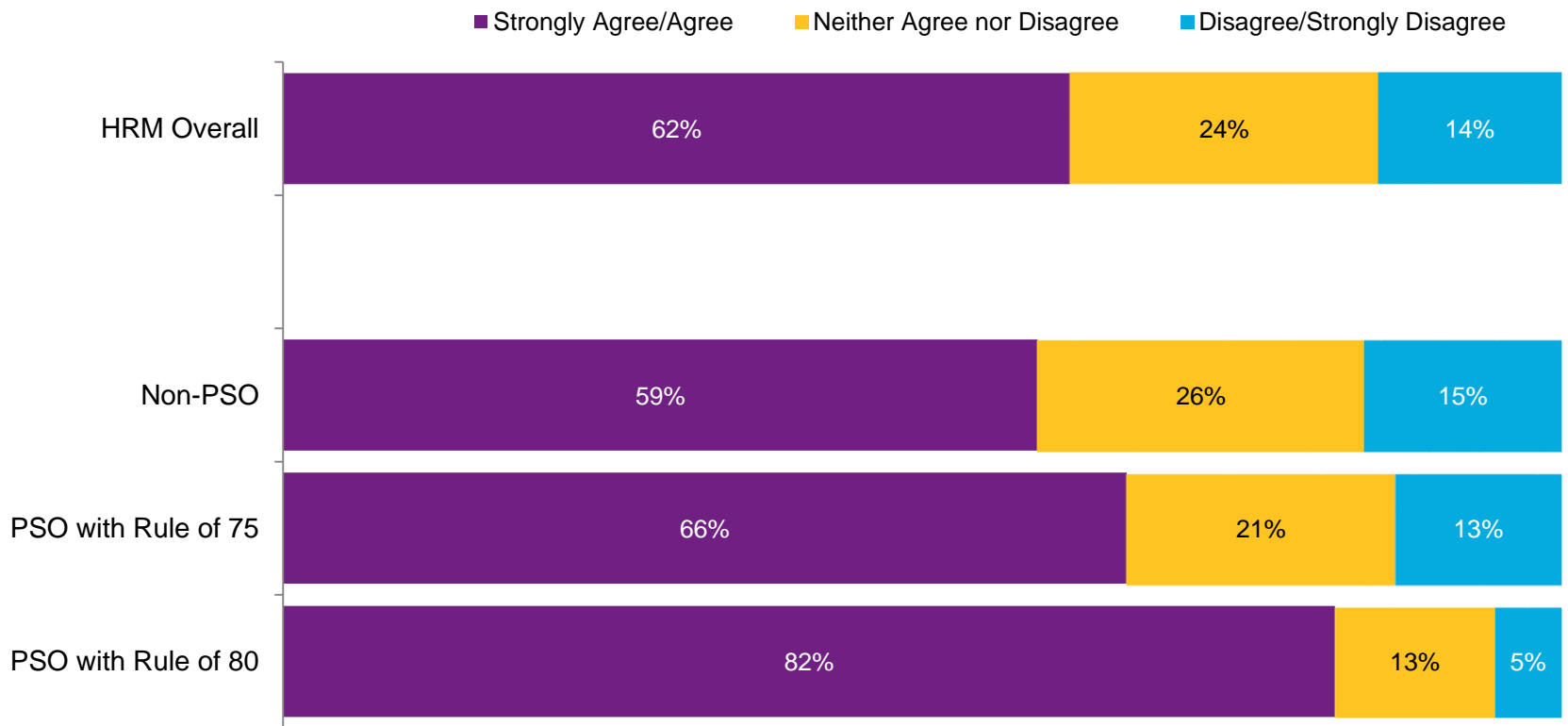
What is the one current pension feature that you value...



# Communications – Overall Understanding

PSO-80 members have the strongest understanding of the pension benefits

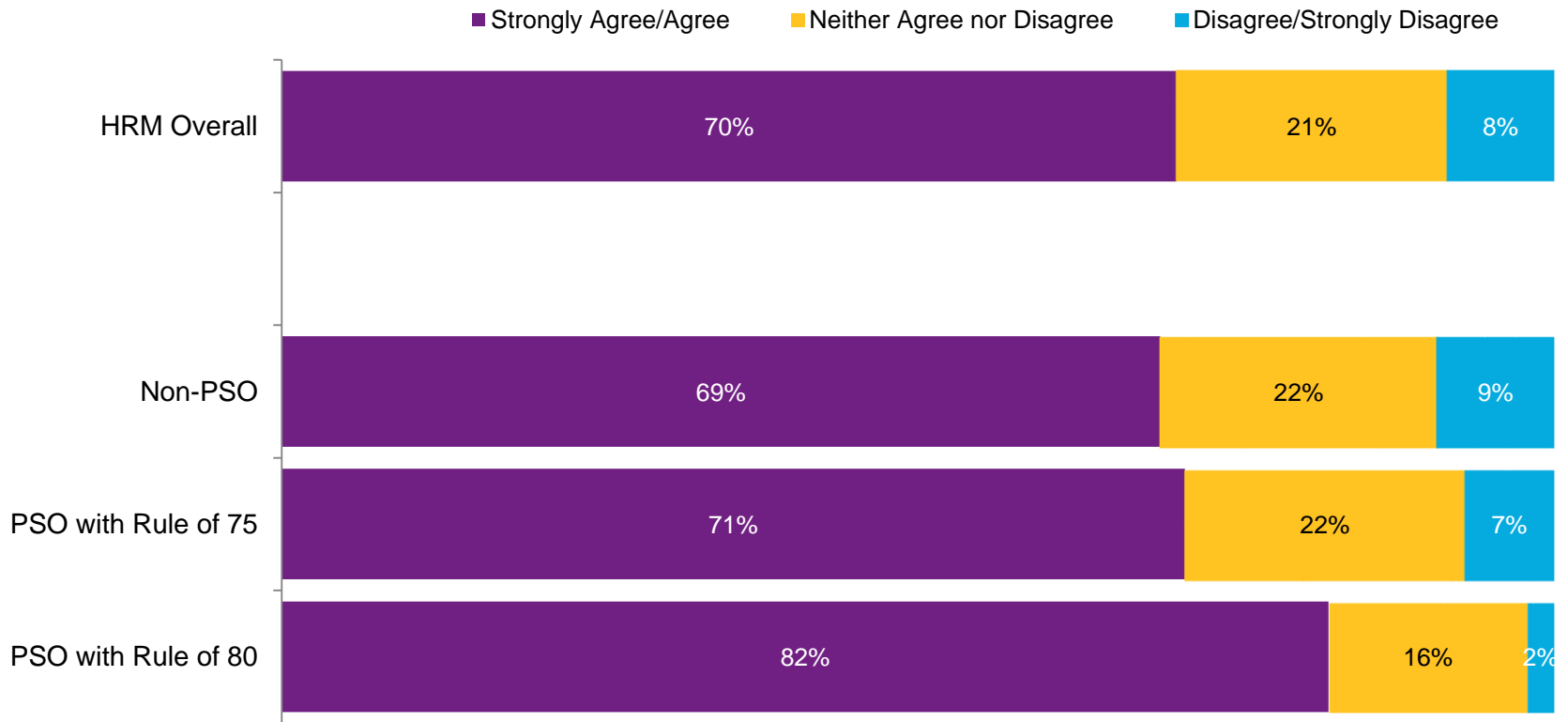
I understand the various features of my pension benefits and how they work.



# Communications – Access to Information

Members are confident in their ability to find information, notably among PSO-80

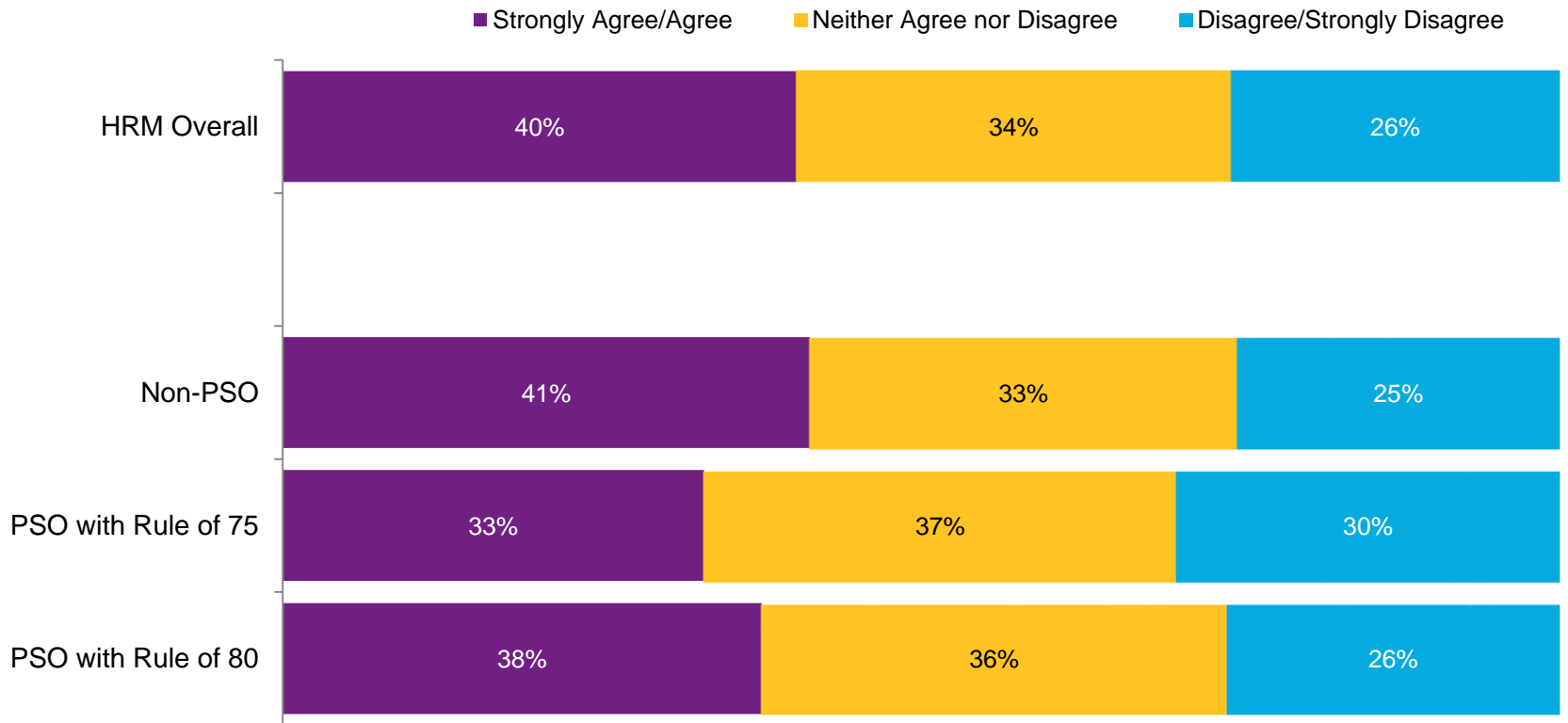
If I need information about my pension benefits, I can easily get it.



# Communications – Rating Employers

Over one quarter of members feel their employer could improve the communications of the pension benefits

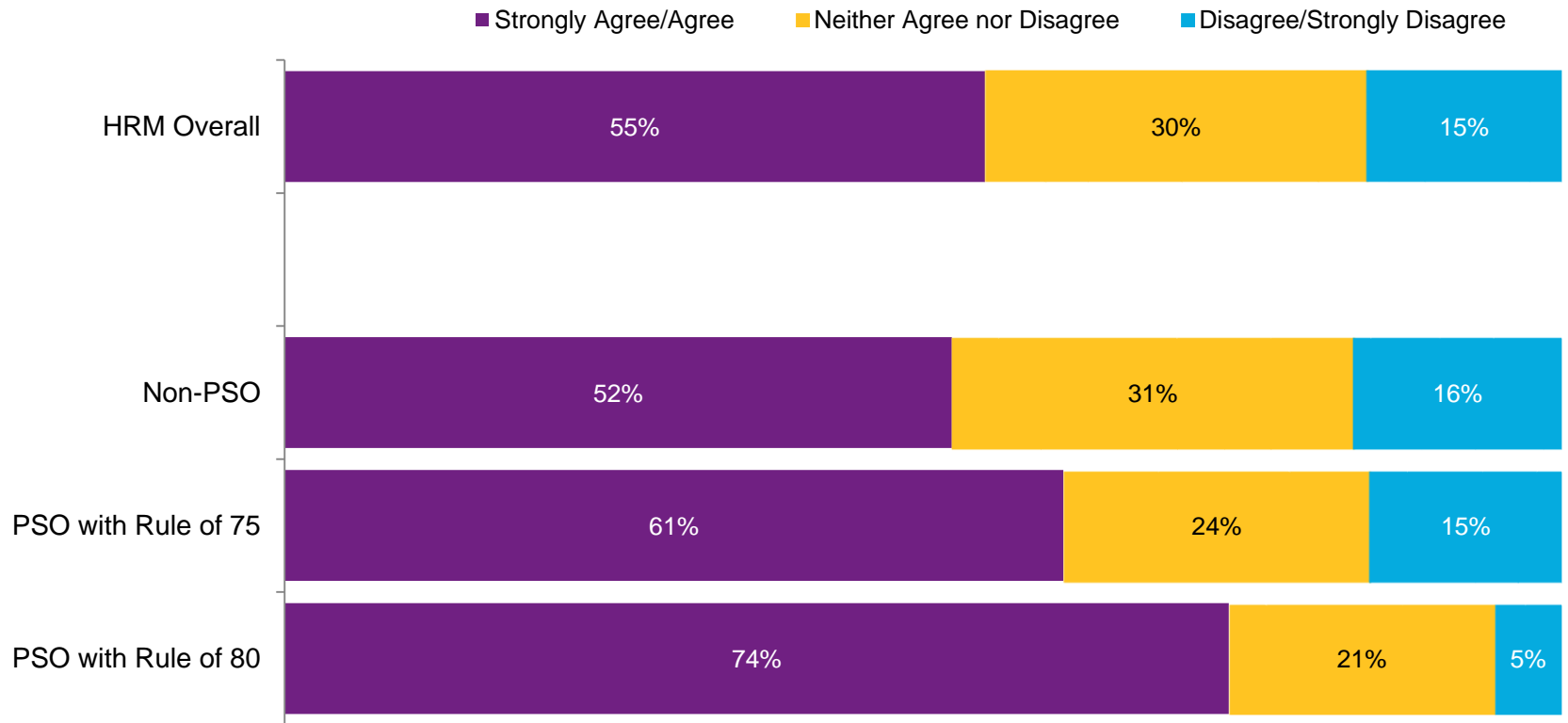
My employer does a good job of communicating the features of its pension benefits to its members.



# Communications – Rating Pension Committee

Three-quarters of PSO-80 members approve of the Pension Committee’s quality of communication

The Pension Committee does a good job of communicating the features of its pension benefits to its members.



## Preferred Communication Channels

Email is most preferred, followed by print; although, nearly one-third of PSO-75 and HRPAs prefer face-to-face

Please select the methods of communication that you most prefer when receiving information about your pension benefits.

■ Percent Selecting

