

Sample Refund Calculation as required by PERAC Memo #31/2010

Anonymous Member
 9 years creditable service
 decides to voluntarily leave for private sector
 entitled to 3% interest per statute

ASF Card Format Current View

Name	Date of Membership	Unit: Group:	Deduction %	Total Creditable Service	Current Board Creditable Service					
Year	<u>Statutory Interest Rate</u>	<u>Deductions</u>	<u>Incremental 2% deductions</u>	<u>Transfer In/Make Up</u>	<u>Refund/Transfer Out</u>	<u>Interest</u>	<u>Other</u>	<u>Current Year Accumulated Deductions</u>	<u>Accumulated Deductions</u>	
2002	1.40%	780.00	45.00	-	-	-	-	825.00	825.00	
2003	1.00%	3,148.80	187.20	-	-	8.25	-	3,344.25	4,169.25	
2004	0.60%	3,236.95	209.28	-	-	25.02	-	3,471.25	7,640.50	
2005	0.60%	3,506.08	341.99	-	-	45.84	-	3,893.91	11,534.41	
2006	0.60%	4,075.24	418.81	-	-	69.21	-	4,563.26	16,097.66	
2007	0.60%	4,488.00	522.00	-	-	96.59	-	5,106.59	21,204.25	
2008	0.60%	4,636.20	559.08	-	-	127.23	-	5,322.51	26,526.76	
2009	0.50%	4,905.12	626.28	-	-	132.63	-	5,664.03	32,190.79	
2010	0.30%	2,452.56	313.20	-	-	96.57	-	2,862.33	35,053.12	
		31,228.95	3,222.84	-	-	601.33	-	35,053.12		

ASF Card Format Revised by the provisions of Section 25, Chapter 131 of the acts of 2010

Name	Date of Membership	Unit: Group:	Deduction %	Total Creditable Service	Current Board Creditable Service					
Year	<u>Revised Statutory Interest Rate</u>	<u>Deductions</u>	<u>Incremental 2% deductions</u>	<u>Transfer In/Make Up</u>	<u>Refund/Transfer Out</u>	<u>Interest</u>	<u>Other</u>	<u>Current Year Accumulated Deductions</u>	<u>Accumulated Deductions</u>	
2002	3.00%	780.00	45.00	-	-	-	-	825.00	825.00	
2003	3.00%	3,148.80	187.20	-	-	24.75	-	3,360.75	4,185.75	
2004	3.00%	3,236.95	209.28	-	-	125.57	-	3,571.80	7,757.55	
2005	3.00%	3,506.08	341.99	-	-	232.73	-	4,080.80	11,838.35	
2006	3.00%	4,075.24	418.81	-	-	355.15	-	4,849.20	16,687.55	
2007	3.00%	4,488.00	522.00	-	-	500.63	-	5,510.63	22,198.18	
2008	3.00%	4,636.20	559.08	-	-	665.95	-	5,861.23	28,059.40	
2009	3.00%	4,905.12	626.28	-	-	841.78	-	6,373.18	34,432.58	
2010	3.00%	2,452.56	313.20	-	-	516.49	-	3,282.25	37,714.83	
		31,228.95	3,222.84	-	-	3,263.04	-	37,714.83		
						Difference in interest to be applied to refund				2,661.71

The deductions, 2% additional and interest in 2010 reflect 6 months of employment.

The current accounting involves adjusting the amount of the refund and the balance of the Annuity Savings account for interest not refunded #4822.

The revised accounting involves recognizing the additional interest to be refunded by increasing the balance of the Annuity Savings account for the additional interest. In the above example, the additional interest to be refunded would be added to the balance of the Annuity Savings account and reflected in both the Investment Income to be credited to members' accounts as well as the total of Income Required for the Annuity Savings Fund as represented in the membership module.