

**Table 1C**  
**Calculation of the Annual Required Contribution**

The following exhibit displays the calculation of the amortization payments and the annual required contribution (ARC) on a prefunding basis for the fiscal years ending June 30, 2014 and 2015.<sup>2</sup>

Fiscal Year End	Prefunding Basis	
	6/30/2014	6/30/2015
<b>Funding Policy</b>		
Discount rate	7.06%	7.06%
Amortization method	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30
Remaining period (in years)	26	25
<b>Determination of Amortization Payment</b>		
UAAL	1,904,947	1,808,470
Factor	17.1467	16.7425
Payment	111,097	108,017
<b>Annual Required Contribution (ARC)</b>		
Normal Cost	72,197	74,543
Amortization of UAAL	111,097	108,017
Interest to 06/30	12,941	12,889
<b>Total ARC</b>		
Determined as of fiscal year end	196,235	195,449

While the following is not intended to be used to determine the normal cost or ARC in future years, this information may be of value for planning purposes. The projected covered payroll shown for each year below reflects assumed increases in aggregate payroll since the valuation date.

Valuation date	7/1/2011	
	6/30/2014	6/30/2015
Projected covered payroll	1,365,601	1,409,983
Normal Cost as a percent of payroll	5.3%	5.3%
ARC as a percent of payroll	14.4%	13.9%
ARC per active ee	15,095	15,035

<sup>2</sup> We have assumed the July 1, 2010 actuarial valuation will serve as the basis for determining the annual OPEB expense for the fiscal years ending June 30, 2012, and June 30, 2013.