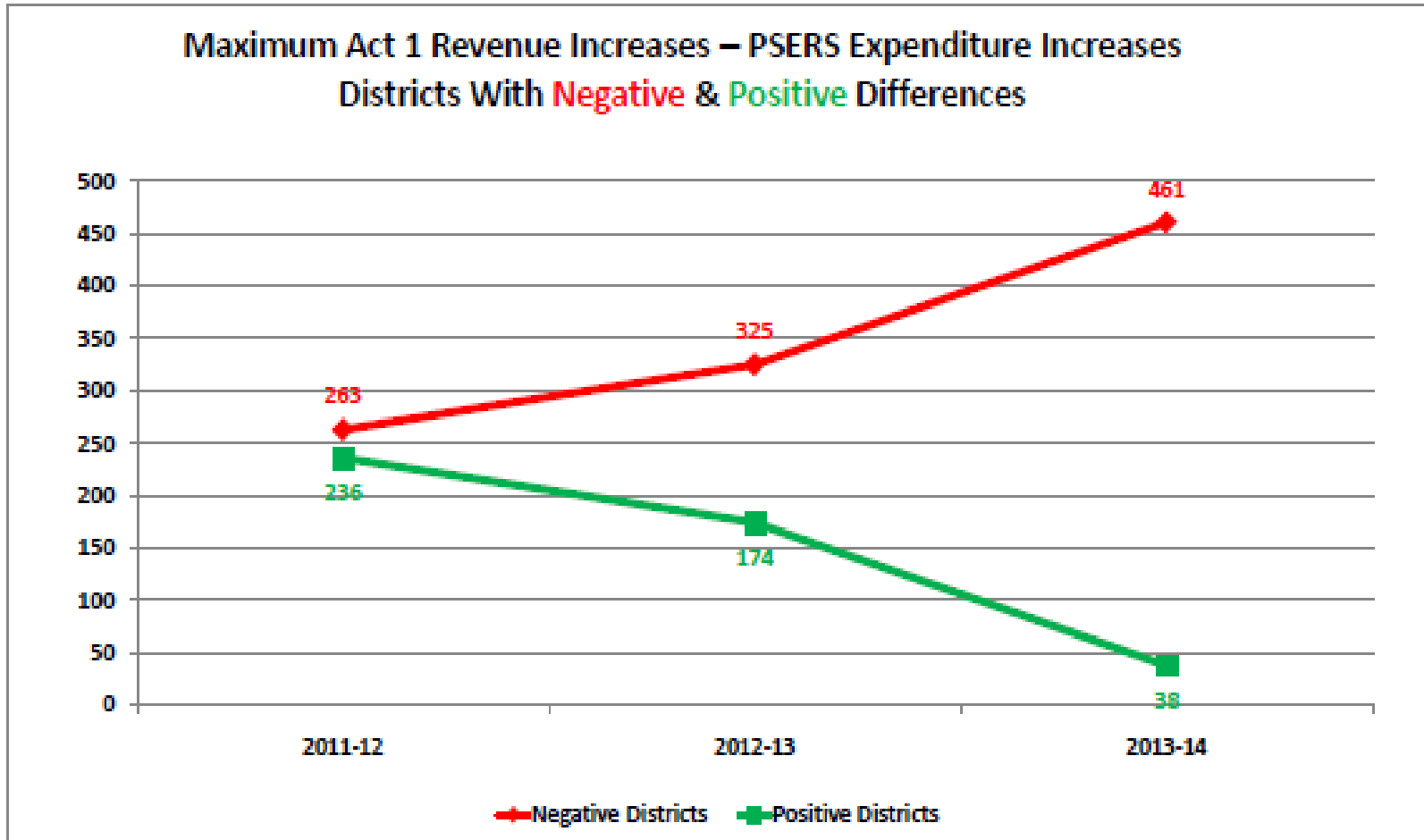


Act 1 Index Projection and Increased Cost of Retirement (PSERS)



Assumptions

- Adjusted Act 1 Index used for calculations. The 2011-12 Base Index is 1.4%. We assumed a continuation of the 1.4% Base Index for 2012-13 and 2012-14.
- We assumed no growth in wages. To determine wages, PDE 2008-09 AFR data was increased by 2.5% for FY 2009-10 and 2010-11.
- Property tax revenue from AFR data was also increased by 2.5% annually for these two fiscal years.
- This data was compiled by Dr. William Hartman, Penn State University, and Timothy Shrom, Business Manager, Solanco School District.

