

# **POB Process**

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- 1. Calculate True Economic Deficit**
- 2. Calculate Cost to Defeasement Net Retired Lives**
- 3. Calculate ROA to fund Residual Liabilities + POB**

## Sample Client (\$5 b POB)

	Actuarial Valuation	Market Valuation
Assets	\$3,179.50 m	\$8,179.50 m
Liabilities	\$14,269.77 m	\$9,267.77 m
Funded Ratio	22.28%	88.26%
Funded Status	<b>(\$11,090.27 m)</b>	<b>(\$1,088.27 m)</b>
Contributions (2021)	\$ 786.79 m	\$ 800.00 m (Frozen)
Cumulative	\$44,209.82 m	\$33,998.49 m

### Benefits:

- Reduced Funding Costs by \$422,511,523
- Reduced ROA hurdle rate from 6.75% to 5.84%
- Reduced Cumulative Contribution Costs by \$10.2 billion