

Independent Schools Association of the Central States

Illustration of Yearly Retirement Benefits

Exhibit 1: TIAA Line = Independent School Model and DB Line = Public School Model (with all the TIAA contributions placed in fixed return instruments, such as bonds)

Benefits payable at Age 65 of Employment: Terminates at the end of:

<u>Age</u>	<u>Salary</u>		<u>Plan 10 Years</u>	<u>15 Years</u>	<u>20 Years</u>	<u>to Age 65</u>
25	\$30,000	TIAA	\$34,820	\$48,850	\$61,021	\$95,573
			26.1%	36.7%	45.8%	71.7%
		DB	\$6,162	\$11,245	\$18,242	\$79,940
			4.6%	8.4%	13.7%	60.0%
30	\$30,000	TIAA	\$24,826	\$34,830	\$43,507	\$63,229
			22.7%	31.8%	39.7%	57.7%
		DB	\$6,162	\$11,245	\$18,242	\$57,491
			5.6%	10.3%	16.7%	52.5%
35	\$30,000	TIAA	\$17,701	\$24,833	\$31,020	\$41,043
			19.7%	27.6%	34.5%	45.6%
		DB	\$6,162	\$11,245	\$18,242	\$40,503
			6.8%	12.5%	20.3%	45.0%
40	\$30,000	TIAA	\$12,620	\$17,706	\$22,117	\$25,943
			17.1%	23.9%	29.9%	35.1%

		DB	\$6,162	\$11,245	\$18,242	\$27,742
			8.3%	15.2%	24.7%	37.5%
45	\$30,000	TIAA	\$8,998	\$12,624	-----	\$15,769
			14.8%	20.8%	-----	25.9%
		DB	\$6,162	\$11,245	-----	\$18,242
			10.1%	18.5%	-----	30.0%
50	\$30,000	TIAA	\$6,416	-----	-----	\$9,001
			12.8%	-----	-----	18.0%
		DB	\$6,162	-----	-----	\$11,245
			12.3%	-----	-----	22.5%

Assumptions:

1. Benefits under TIAA and the DB plan are based on annual salary increases of 4%.
2. The defined benefit formula is 1.5% of the final 3-year average salary times years of service.
3. TIAA benefits, payable on a Single Life Annuity, are based on a contribution rate of 10% of salary.
4. TIAA benefits are based on an assumed interest rate of 7% before and after retirement. Mortality assumes the Annuity 2000 Table Merged Gender (2.0). The interest rate and mortality basis are not guaranteed for the future.

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