



October 28, 2024

Jodi M. Terzich  
 Terzich & Ort, LLP  
 11284 86th Avenue North  
 Maple Grove, MN 55369

Re: Darlene Gilbeck Present Value Calculation under the Teachers Retirement Association - TRA Pension Plan

Dear Jodi:

As requested, we have calculated estimated retirement benefit present values for Darlene Gilbeck. The plan benefits valued are from the Teachers Retirement Association - TRA Pension Plan and were provided by the plan's benefit estimate system and received via email on October 15, 2024. Based on the information provided, the benefit amounts appear reasonable. Below is a summary of the data provided to us.

| Input Data Provided  |  |
|--|--|
| Plan Name  | Teachers Retirement Association - TRA Pension Plan |
| Participant Name   | Darlene Gilbeck                                    |
| Date of Birth  | March 16, 1965                                     |
| Date of Marriage   | October 10, 1987                                   |
| Date of Valuation  | January 1, 2024                                    |
| Years of Credited Service at Valuation Date<br><i>(estimated by Hildi USICG based on information provided on service in the participant benefit statement)</i> | 24.25  |
| Years of Credited Service during Marital Period  | 24.25  |

| Estimated Monthly Retirement Benefit                    | Credited Service | Monthly Benefit |
|---|------------------|-----------------|
| at age 60.25 based on benefit accrual ceasing 6/2/2025  | 25.67            | \$1,951.49      |
| at age 62.00 based on benefit accrual ceasing 3/17/2027 | 27.41            | \$2,543.09      |
| at age 65.00 based on benefit accrual ceasing 3/17/2030 | 30.41            | \$3,635.36      |

While we have made every effort to accurately reflect the plan provisions and census data, we are not the plan administrator. We recommend that the census data, benefit amounts, and plan provisions be confirmed by the plan administrator before these results are used in any kind of marital dissolution settlement agreement. Hildi USICG is not responsible for how these results are used in a settlement agreement or used in an allocation method for a Domestic Relations Order (DRO).

## Results

| Estimated Present Value Results as of January 1, 2024    |                     |               |
|--|---------------------|---------------|
|  | Total Present Value | Marital Value |
| Terminate employment 6/2/2025 and commence at age 60.25  | \$327,144           | \$327,144     |
| Terminate employment 3/17/2027 and commence at age 62.00 | \$358,760           | \$358,760     |
| Terminate employment 3/17/2030 and commence at age 65.00 | \$384,451           | \$384,451     |

The results above are based on the projected benefit approach. This approach values the benefit projected to the termination dates shown above (assuming 0.00% annual salary increases). The total present value is prorated by the credited service earned as of the valuation date of 24.25 years divided by the credited service as of the projected date of termination. The marital value is the prorated portion of the total present value based on the years of service while married of 24.25 divided by the total credited service under the plan of 24.25 as of January 1, 2024.

## Assumptions

| Assumptions Used to Determine Present Value |  |
|---|--|
| Discount Rate                               | 5.20%  |
| Post Retirement Cost of Living Increases    | Deferred to age 65 - 1.50%                     |
| Mortality Base Table                        | RP-2014 Female (White Collar) adjusted to 2006 |
| Mortality Projection Scale                  | MP-2021 Female                                 |

- 1) **Discount Rate:** Actuarial Standard of Practice #34 (ASOP 34) requires that unless another assumption is clearly warranted by the facts and circumstances, the discount rate selected for valuing retirement plan benefits in domestic relations actions should be a low-risk rate of investment return, determined as of the measurement date and based on the cash-flow pattern of benefits being valued (for example, the current or a recent average yield to maturity on U.S. Treasury bonds of comparable duration, or a published index reflecting yield rates for high-quality corporate bonds). For this purpose, the chosen discount rate of 5.20% has been derived by reflecting the applicable expected benefit payments discounted using the high-quality corporate bond rates published for January 2024 under IRC Section 417(e)(3) for lump sums. The equivalent single rate was then analyzed for reasonableness and compared to some appropriate indices and rounded.
- 2) **Mortality:** Mortality has been set using the RP-2014 Female (White Collar) adjusted to 2006 mortality table, which is the most current table issued by the Society of Actuaries, published in 2014. The MP-2021 Female mortality improvement projection scale has been applied to the base mortality table in order to reflect anticipated future mortality improvements.
- 3) **Post Retirement Cost of Living:** The plan provides possible automatic post retirement cost of living increases. We have assumed a 1.50% post retirement cost-of-living assumption beginning at age 65. However, since we are not the plan administrator, we recommend that this assumption be carefully reviewed and agreed upon by both parties.

## Observations

Some general observations are noted below:

- 1) The estimated pension value will vary based on the actual date of termination and the actual date of retirement. We have only provided a value for the dates of termination and retirement shown above

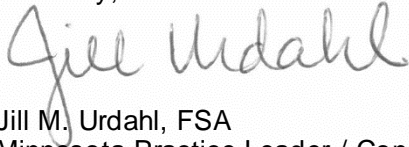
**Observations *continued***

Some general observations are noted below:

- 2) The participant's accumulated contributions with interest were not provided to us. This represents the minimum present value on that date.
- 3) A death benefit is available to the spouse if the participant dies prior to commencement of the benefit. We have not included the value of this benefit but it should be considered in the analysis of whether to offset assets or have a DRO.

Please call if you have any questions or would like any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Jill Urdahl". The signature is written in dark ink on a light-colored background.

Jill M. Urdahl, FSA  
Minnesota Practice Leader / Consulting Actuary