

Northwest Actuarial Consulting, LLC

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February 1, 2012

Jeanne Vachal
Gevurtz Menashe Larson & Howe, P.C.
111 SW 5th Ave, Suite 900
Portland, OR 97204-3615

Re: Value of Gerald Cambron's Oregon PERS Retirement Benefit

Dear Jeanne:

At your request, I have made an actuarial determination of the marital portion of the lump sum present value of the monthly retirement benefit Mr. Cambron is currently receiving from the Oregon Public Employee Retirement System (PERS). It is my opinion based on the information, assumptions, and methodology described below, that marital portion of the lump sum present value is approximately \$20,200. For you information, the lump sum value of the total benefit, marital and non-marital portions, is approximately \$417,700.

Please note that the above valuation reflects the expectation confirmed by phone with you that Mr. Cambron will not continue to designate Ms. Cambron as a survivor annuitant after their divorce. The above valuation reflects the value of the increase to Mr. Cambron's benefit.

Information Provided

Gerald Cambron

- Date of Birth: April 23, 1941
- Date of PERS Retirement: February 1, 1998
- Date of Marriage: February 14, 1997
- Total Service for PERS Benefit Credit: 20 years, 8 months
- Total Benefit Credit Service while married: 1 year 0 months
- Current Monthly Benefit: \$2548
- Benefit Election Form: Option 3A

Methodology and Assumptions

- Valuation Date: January 1, 2012
- Mr. Cambron has a normal life expectancy for an American male his age. The mortality table used in the calculations was the 1994 GAM Basic male table projected with Scale AA.



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- The interest assumptions used to discount future payments are 3.74% for the first 20 years and 3.70% thereafter. These are the rates used by the Pension Guaranty Corporation for valuing pension benefits. They reflect an average of rates used by insurance companies throughout the United States and are adjusted monthly.
- Benefits payable under PERS are subject to annual cost of living increases. The assumed cost of living increase rate is 2.0% per year.
- As noted above, it is assumed Mr. Cambron can elect to have his benefit paid in the form of a life only benefit if the parties divorce. This will increase his benefit by approximately 5.26%. The above determination of value takes into account this increase.

If you have any questions or require any additional information, please feel free to contact me.

Statement of Qualifications: I, Alan J. Stonewall, am a Member of the American Academy of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Alan J. Stonewall, FSPA, MAAA, EA

e-mail: alan@northwestactuarialconsulting.com