

# RATE COLLAR EXAMPLE

## SINGLE COLLAR

### Rate Reduction EXAMPLE

1	Current (collared) employer contribution rate ( <b>before side accounts</b> )	25.00%
2	Size of rate collar	
	a) Preliminary size of rate collar (3%) or	3.00%
	b) Preliminary size of rate collar (20%)	5.00%
	c) Preliminary size of rate collar (max. of 3% or 20%)	5.00%
	d) Funded percentage	75.00%
	e) Double collar (if <60% or >140%; then 2 times collar - <b>double</b> )	10.00%
	f) Double collar (if <70% or >130%; then <b>graduated</b> collar)	>5% to <10%
3	<b><i>Final SIZE of Rate Collar</i></b>	5.00%
4	Minimum employer contribution rate ( <b>no less than or floor</b> )	20.00%
5	Maximum employer contribution rate ( <b>no more than or ceiling</b> )	30.00%
6	<b><i>Next Biennium's employer contribution rate before collar</i></b>	35.00%
7	<b>Final Employer contribution rate after collar</b>	30.00%
8		
9	<b><i>Impact of collar (amount above ceiling)</i></b>	-5.00%
10	Maximum or below collar	<b>MAX COLLAR</b>