

Assumptions	Source	Low Cost	Intermediate	High Cost
Total Fertility Rate	Recommended	2.1	no change	1.5
	TR2007	2.3	2.0	1.7
Mortality (Avg. Annual decline) (all ages, both sexes)	Recommended	no change	1.00%	2.00%
	TR2007	0.33%	0.70%	1.21%
Net Immigration	Recommended Starting	1.35mil in 2007	1.35mil in 2007	1.35 mil in 2007 1.1 mil in 2011*
	Recommended Annual growth rate	2.1% 1st 25yrs 0.5% next 50yrs	1.0% 1st 25yrs 0.5% next 50 yrs	2012-2081: 0.25% Legal 0.5% "Other"
	Annual flow in 2081	2,820,000	2,189,000	1,437,000
	Ult. Net Migration Rate	4.6	4.2	3.0
	TR2007 (ultimate)**	1,300,000	900,000	672,500
	Ult. Net Migration Rate	2.5	2.1	1.9
Disability Incidence (per 1000)	Recommended	4.6	no change	6.9
	TR2007	4.4	5.5	6.6
Disability Termination		no change	no change	no change
Labor Force Participation Rate		age-adjusted percentage rates for ages 16 and over		
	Recommended	***M:77 W: 65	no change	no change
	TR2007	M:72.8 W:60.6	M:73.3 W:60.8	M:73.9 W:60.9
Unemployment Rate	Recommended	no change	no change	no change
	TR2007	4.5	5.5	6.5
Components of Real Wage Growth:				
Productivity Growth	Recommended	no change	no change	1.1%
	TR2007	2.0%	1.7%	1.4%
Compensation to GDP ratio	Recommended	no change	no change	no change
	TR2007	0%	0%	0%
Earnings to Compensation ratio		(1st 25yrs, next 50yrs):		
	Recommended	0.0%, 0.1%	-0.1%, 0.0%	-0.2%, -0.1%
	TR2007	-0.1%, -0.1%	-0.2%, -0.2%	-0.3%, -0.3%
Hours worked		(1st 25yrs, next 50yrs):		
	Recommended	0.0%, 0.1%	-0.1%, 0.0%	-0.2%, -0.1%
	TR2007	0.1%, 0.1%	0.0%, 0.0%	-0.1%, -0.1%
GDP deflator-CPI	Recommended	-0.2%	-0.2%	-0.2%
	TR2007	-0.4%	-0.4%	-0.4%
Net Real wage growth		(1st 25yrs, next 50yrs):		
	Recommended	1.8%, 2.0%	1.3%, 1.5%	0.5%, 0.7%
	TR2007	1.6%, 1.6%	1.1%, 1.1%	0.6%, 0.6%
CPI growth	Recommended	1.5%	2.5%	3.5%
	TR2007	1.8%	2.8%	3.8%
Real interest rate (nominal less CPI)	Recommended	3.3%	2.6%	1.8%
	TR2007	3.6%	2.9%	2.1%

Table 2: Summary of effects of individual assumptions on system finances compared to 2007 Trustees Report (As a percent of taxable payroll)

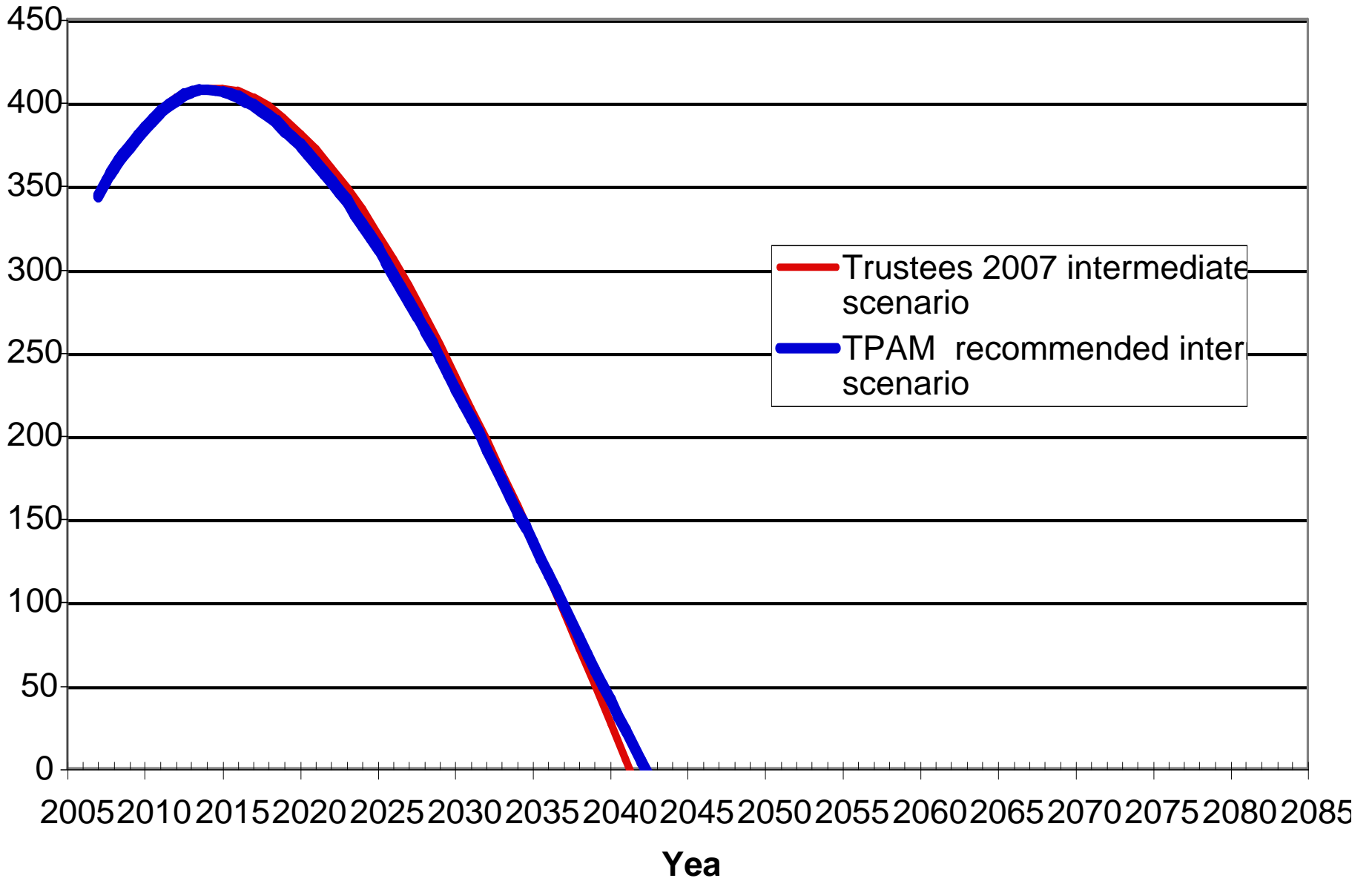
Annual balances:

	75 year summarized balance	<i>Change from TR</i>	25th year balance (2031)	<i>Change from TR</i>	50th year balance (2056)	<i>Cha nge from TR</i>	75th year balance (2081)	<i>Change from TR</i>	Year cost exceeds income*	Year Trust Fund ratio<0
2007 Trustees Report	-1.95		-3.56		-4.20		-5.20		2017	2041
Mortality	-2.20	<i>-0.25</i>	-3.64	<i>-0.08</i>	-4.64	<i>-0.44</i>	-6.02	<i>-0.82</i>	2017	2040
Immigration	-1.50	<i>0.45</i>	-3.00	<i>0.56</i>	-3.24	<i>0.96</i>	-3.98	<i>1.22</i>	2018	2044
Real wage growth	-1.63	<i>0.32</i>	-3.46	<i>0.10</i>	-3.26	<i>0.94</i>	-4.06	<i>1.14</i>	2017	2042
CPI growth	-2.02	<i>-0.07</i>	-3.64	<i>-0.08</i>	-4.31	<i>-0.11</i>	-5.31	<i>-0.11</i>	2017	2040
Interest rates	-2.15	<i>-0.20</i>	-3.56	<i>0.00</i>	-4.20	<i>0.00</i>	-5.20	<i>0.00</i>	2017	2040
TPAM intermediate:	-1.74	<i>0.21</i>	-3.14	<i>0.42</i>	-2.98	<i>1.22</i>	-3.95	<i>1.25</i>	2017	2042

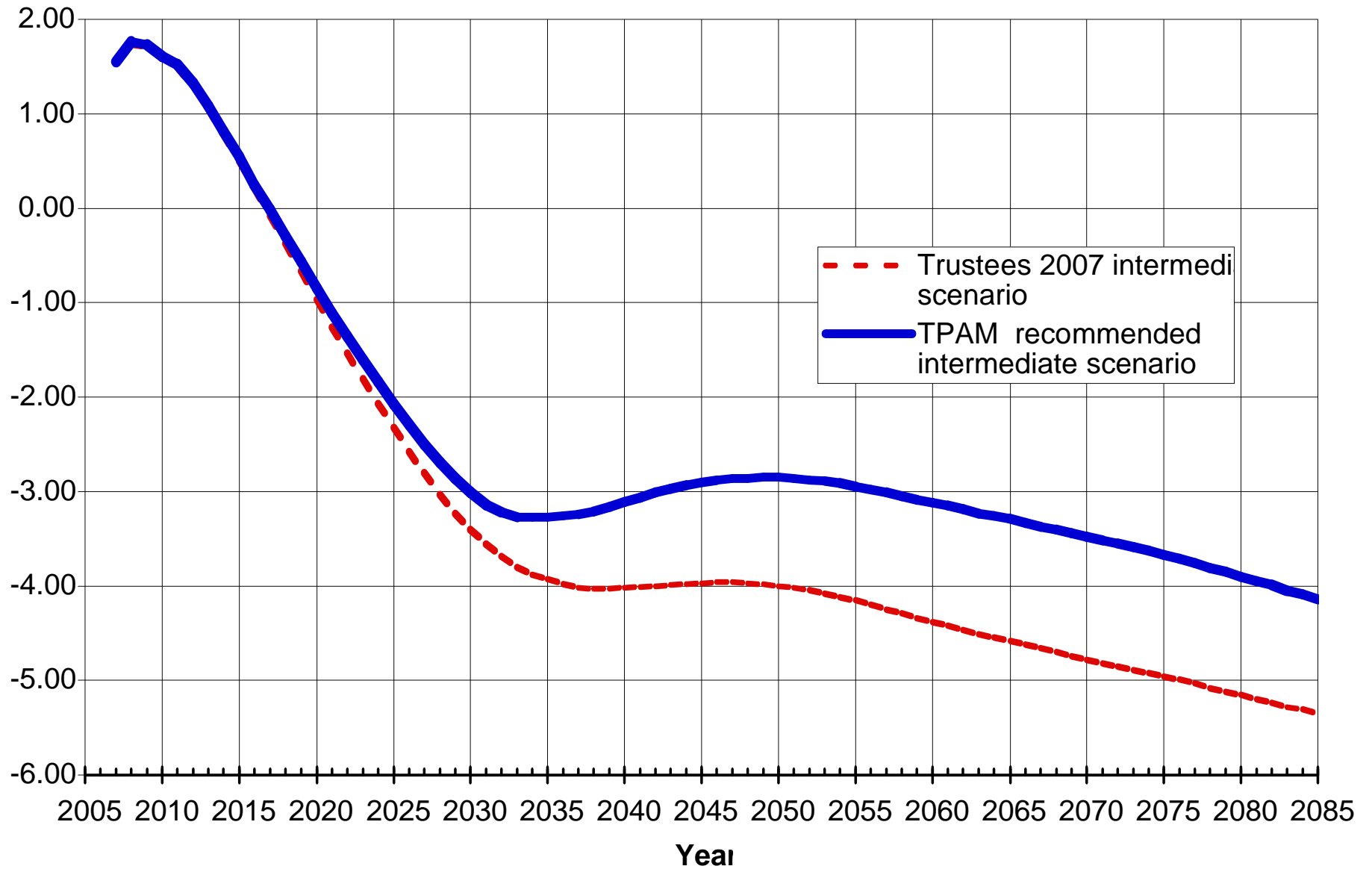
*excluding interest

Source: OCACT projections of Technical Panel assumptions

FIGURE 1: Projected Annual Trust Fund Ratio under Intermediate 2007 Technical Panel vs Trustees Report 2007



**FIGURE 2: Projected Annual Balances under Intermediate Assu
2007 Technical Panel vs. Trustees Report 2007**



**FIGURE 3: Incremental Effect of Individual Technical Panel Rec
Intermediate Assumptions on 2007 Trustees Projection of Annu**

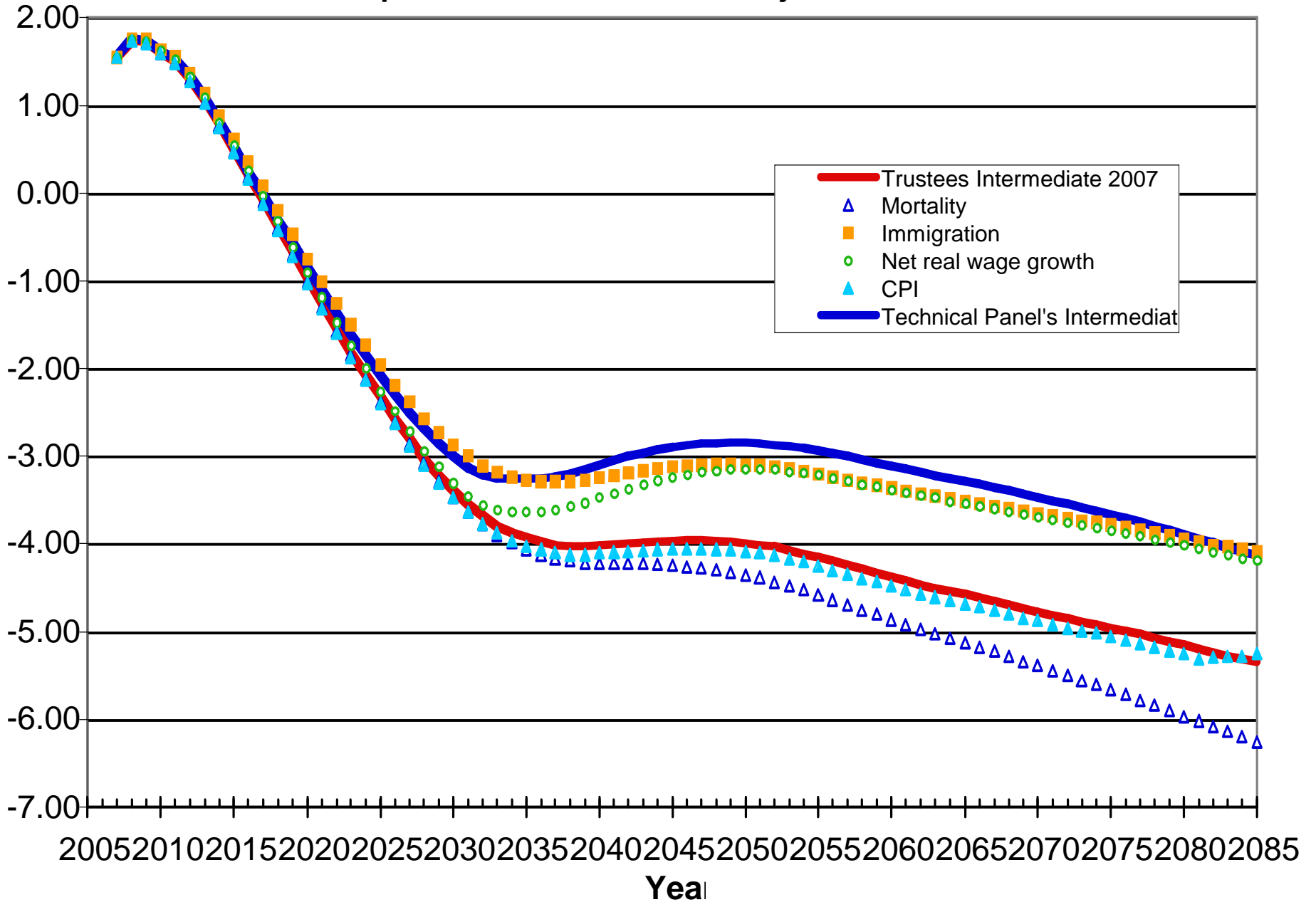
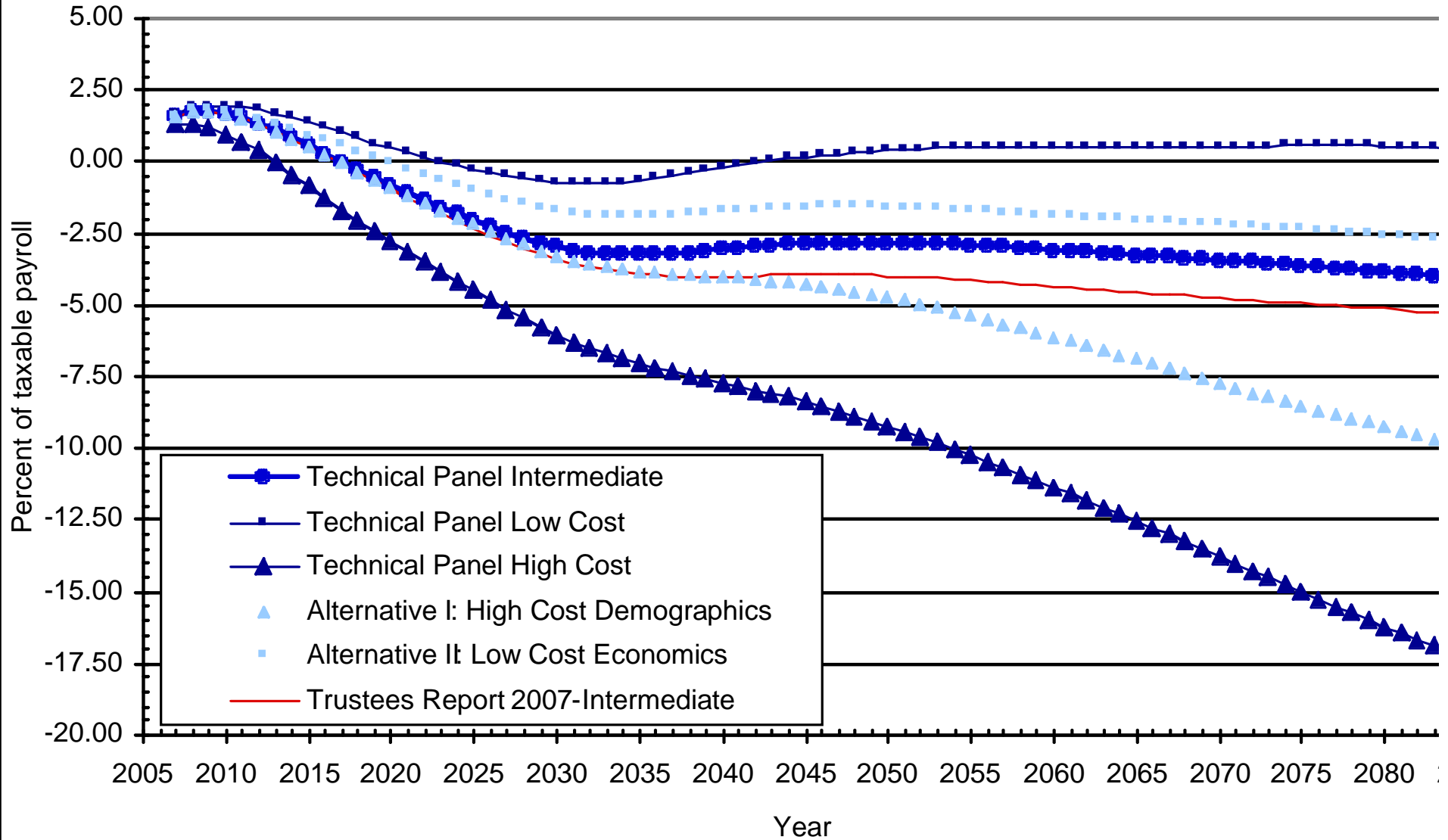


Figure 4: Comparison of Alternative Scenarios: Projected Annual Balances



Real Wage Growth	=	Labor Productivity	+	Growth in Labor Compensation/GDP Ratio	+	Growth in Earnings/Labor Compensation Ratio	+	Growth in Total Hours/Employment Ratio	+	Growth in GDP Deflator/CPI Ratio
1.1 pct/year		1.7 pct/year		No change		-0.2 pct/yr		No change		-0.4 pct/yr