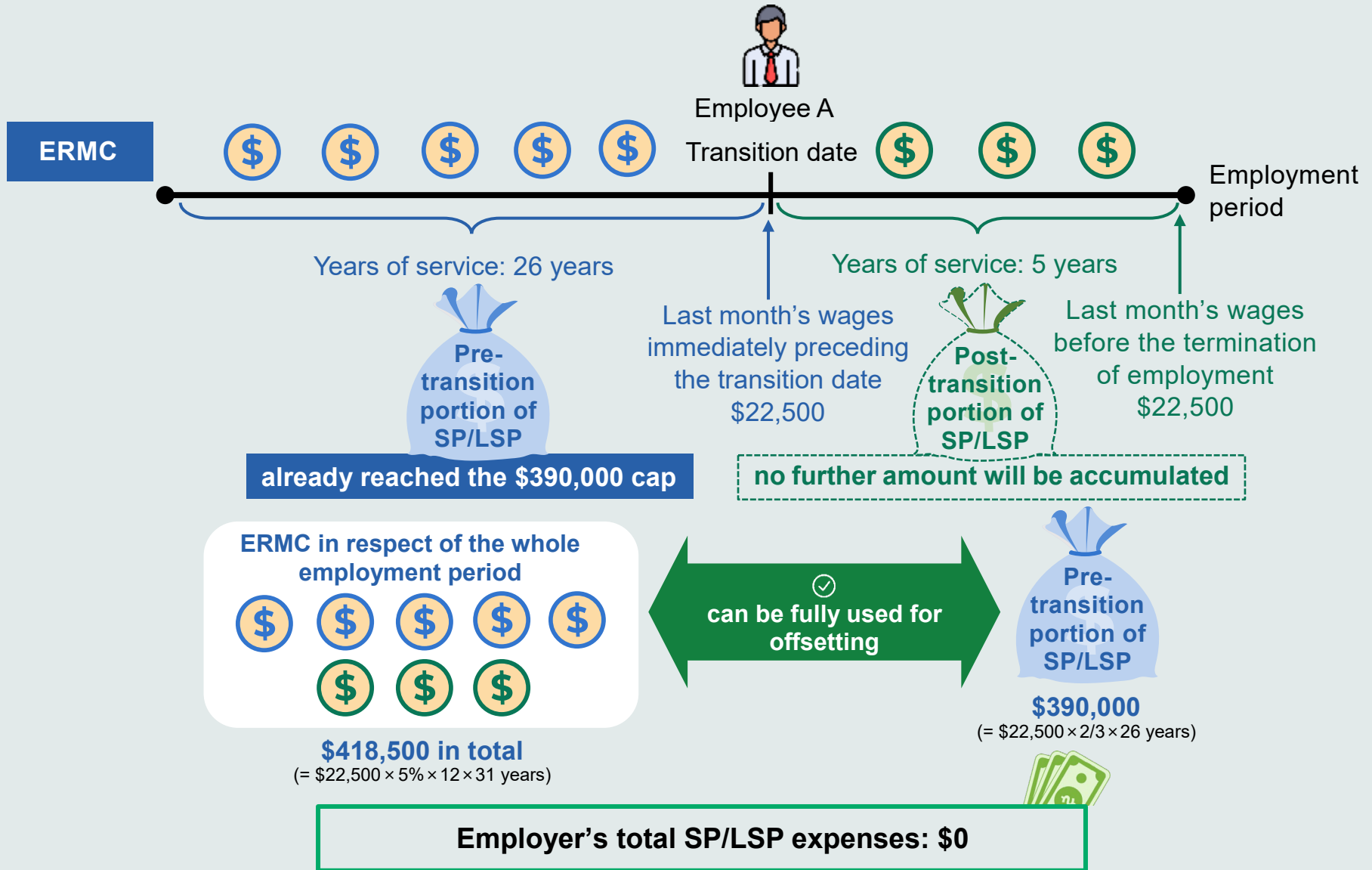


Example 2

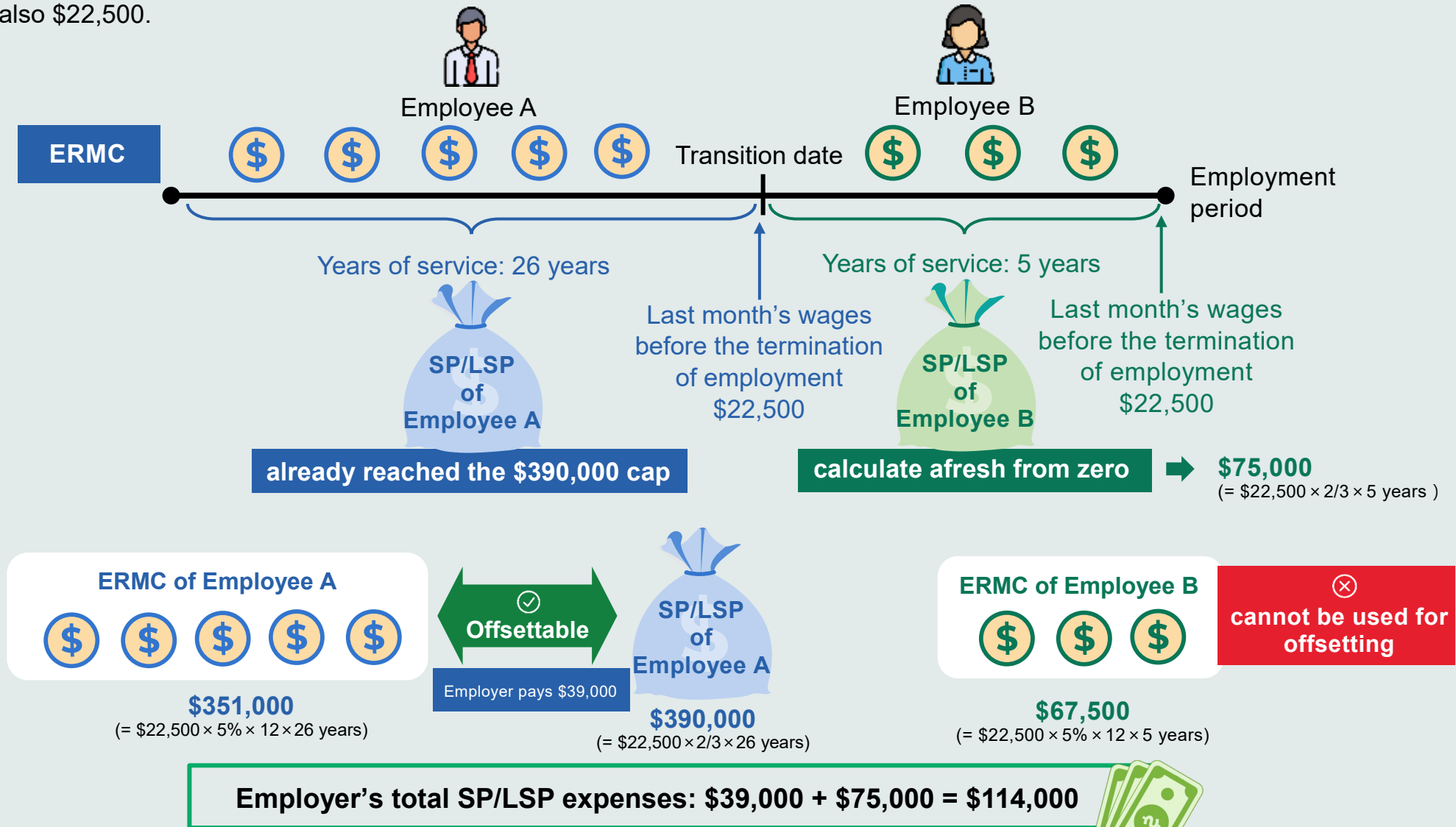
Scenario 1: Employer continues to employ an existing employee after the transition date

Assuming an employer employs Employee A for 26 years before the transition date and continues to employ Employee A for 5 years after the transition date. Assuming the last month's wages of Employee A immediately preceding the transition date and before the termination of employment are both \$22,500.



Scenario 2: Employer dismisses an existing employee before the transition date and employs a new employee after the transition

Assuming the employer dismisses Employee A who has 26 years of service before the transition date and employs a new Employee B for another 5 years. Assuming the last month's wages of Employee B before the termination of employment is also \$22,500.



The above example illustrates that if the employer dismisses an existing employee before the transition date and employs a new employee afterwards, an additional amount of \$114,000 SP/LSP is incurred.