Explanation of Variable Match Calculations

**Account Balances**
- **Variable Account PLUS** = $70,000 (Actual Variable Account balance based on actual earnings in Variable > Regular)
- **Variable Account NEG** = $50,000 (Actual Variable Account balance based on actual earnings when Variable < Regular)
- **Variable @ Regular** = $60,000 (What contributions to the Variable Account would have earned if in Regular Account)

Lipscomb: “ORS 238.260(12) and ORS 238.300(2)(a) require that the PERB initially calculate the Variable Annuity Account earnings on the same basis as the regular annuity account earnings...”

Regular Account Balance = $60,000

**Pension Calculation (Money Match)**
- Regular Annuity ($60,000 x RA Factor) $  474.60
- Variable @ Regular ($60,000 x RA Factor) $  474.60
- Money Match Pension ORS 238.300(2)(a)(A) $  949.20

Lipscomb (Cont’d): “…and both the regular account and Variable Account annuities must then be compiled together to determine the regular service retirement allowance under all retirement alternatives...”

**Annuity Calculation (Money Match)**
- OPTION 1: Use Annuity @ Regular Figures from above: $  949.20
- OPTION 2: Calculate Annuity using actual account balances: $1028.30 $  870.10

{Note: The crucial decision point is between Option 1 and 2 – which is required by Lipscomb?}

**Allowance Calculation**
- Pension + Option 1 Annuity $1898.40
- **Variable PLUS** $1977.50 $1819.30
- **Variable NEG** $  79.10 $  79.10 $  (79.10)

Lipscomb (Cont’d): “…before that retirement allowance is subjected to ORS 238.260(12)’s adjustment for participation in the variable.”

**Final Allowance**
- Option 1 $1977.50 or $1819.30
- Option 2 $2056.60 $1740.20

**Current Variable Match Method** ([Regular + Variable] X 2 X RA Factor) $2056.60 $1740.20