

Buy Down Example 1

Associate on S & A 22 Weeks in Year 2

2008 Wage	2008 COLA	New Wage	Roll Up	Hours	S&A Income Replacement
Assembler		Operator			
\$ 23.84	\$ 4.30	\$ 18.00	1.33	1900	60%

Payment Year 1

Wage Differential	\$	10.14	= \$23.84 + \$4.30 - \$18.00
Wage Differential* Multiplier	\$	13.49	= \$10.14 * 1.33
1 Year of Pay	\$	25,631.00	= \$13.49 * 1900
4 Years of Pay	\$	102,524.00	= \$25,631 * 4
3 Payments	\$	34,174.67	= \$102,524 / 3

Payment #1 - Calculated	\$	34,174.67	
Payment #1 - Actual	\$	34,174.67	Does not exceed Yr 1 Cap

Payment Year 2

Wage Differential	\$	10.14	= \$23.84 + \$4.30 - \$18.00
Wage Differential* Multiplier	\$	13.49	= \$10.14 * 1.33
1 Year of Pay	\$	25,631.00	= \$13.49 * 1900
4 Years of Pay	\$	102,524.00	= \$25,631 * 4
3 Payments	\$	34,174.67	= \$102,524 / 3

Payment #2 - Calculated before S & A	\$	34,174.67	
			Does not exceed Yr 2 Cap

One Week at Full Pay	\$	492.90	= 1900 / 52 * 13.49
One Week at S & A Pay	\$	295.74	= 1900 / 52 * 13.49 * 0.60
Change	\$	197.16	= \$492.90 - \$295.74

S & A vs. Full Pay - 22 weeks	\$	4,337.52	= \$197.16 * 22
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Payment #2 - Calculated after S & A	\$	29,837.15	= \$34,174.67 - \$4,337.52
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Payment Year 3

Wage Differential	\$	10.14	= \$23.84 + \$4.30 - \$18.00
Wage Differential* Multiplier	\$	13.49	= \$10.14 * 1.33
1 Year of Pay	\$	25,631.00	= \$13.49 * 1900
4 Years of Pay	\$	102,524.00	= \$25,631 * 4
3 Payments	\$	34,174.67	= \$102,524 / 3

Payment #3 - Calculated	\$	34,174.67	
Payment #3 - Actual	\$	34,174.67	

<u>Total Payment for Associate</u>	\$	98,186.48	= \$34,174.76 + \$29,837.15 + \$34,174.76
			Does not exceed Total Cap