Derivation of the $4.3 billion reduction in the government's "share the pain" payments:

The January 1, 2016 preliminary valuation revealed a surplus of $13.2 billion

- The surplus reflected 70% CIP
- The present value of the government's share the pain payments was $6.6B

The Partners agreed to use $8.6B of the surplus to increase CIP from 70% to 90%

- Since more indexation is to be provided, the government's share the pain payments decreased
- As a result, the present value of the government's share the pain payments was reduced to $2.3B.

The difference of $4.3 billion ($6.6B - $2.3B) is the present value of the corresponding reduction in the government's share the pain payments

The liabilities increased by an identical amount given that higher benefits would be paid in the future.

The January 1, 2016 valuation is to be filed with a remaining surplus of $4.6B.

The following table summarizes these calculations:

	Present Value of "Share the Pain" Payments
Jan 1, 2016, Preliminary Valuation With 70% CIP (p. 4 of Feb 16, 2016 presentation)	**$6.6 Billion**
Jan 1, 2016, Filed Valuation With 90% CIP (p. 4 of Sep 15, 2016 presentation)	**$2.3 Billion**
Present Value of Reduction in the Government's "Share the Pain" Payments	**$4.3 Billion**