

*Patricia P. Watt*  
*Consultant, Actuary*

1044 Belvedere Lane  
San Jose, California 95129-2901

Office: (408) 996-2145  
Fax: (408) 446-4907

April 17, 2005

RE: Marriage of M and D

Dear Ms. M and Mr. D:

This letter is a summary of the benefits that are shown in detail in separate letters. There are an infinite number of ways to divide the properties between the parties. In this letter, I propose one method that equitably distributes the benefits while minimizing the number and complexity of the necessary Qualified Domestic Relations Orders (QDROs).

### Summary

The following table displays the lump-sum present values of the information detailed in separate letters.

Item	Date Valued	Lump Sum Present Value	Community Property	Husband's Separate Property	Wife's Separate Property
Wife's STRS pension	4/30/05	\$77,063.89	\$30,344.66	\$0.00	\$46,719.23
Husband's Archdiocese of S <sup>1</sup>	4/30/05	\$243,399.85	\$196,686.75	\$46,713.10	\$0.00
<b>Total</b>		<b>\$320,463.74</b>	<b>\$227,031.41</b>	<b>\$46,713.10</b>	<b>\$46,719.23</b>

Each party should receive 50% of the community property plus 100% of his own separate property. Thus Husband should receive benefits having an expected value of \$160,228.80 and Wife should receive \$160,234.93. One alternative, which accomplishes this is the following allocation:

Item	Date Valued	Total in Account	Awarded to Husband	Awarded to Wife
Wife's STRS pension	4/30/05	\$77,063.89	\$0.00	\$77,063.89
Husband's Archdiocese of S	4/30/05	\$243,399.85	\$160,228.80	\$83,171.05
<b>Total</b>		<b>\$320,463.74</b>	<b>\$160,228.80</b>	<b>\$160,234.94</b>

The interpretation of this table is as follows:

- Wife should be awarded 100% of her STRS benefit.
- Husband should be awarded 65.83% of his Archdiocese pension (\$1,260.29 per month).
- Wife should be awarded 34.17% of Husband's Archdiocese pension (\$654.17 per month).

If Husband wants to buy out Wife's interest in his pension benefits, he should pay her \$83,171.05 from his other separate property.

---

<sup>1</sup> Assumes no survivor benefit

TO: Ms. M and Mr. D  
RE: Marriage of M and D

2

April 17, 2005  
From: Patricia P. Watt

I believe that these are the figures that you need for your negotiations. Please let me know if any of this is not clear. I look forward to hearing from you. Thank you for this opportunity to serve you.

Sincerely,

Patricia P. Watt  
Fellow of the Society of Actuaries  
Enrolled Actuary