

**COLLEGE ILLINOIS!® PREPAID TUITION PROGRAM
SUPPLEMENTAL ACTUARIAL SOUNDNESS VALUATION REPORT
AS OF JUNE 30, 2016**

October 28, 2016

Mr. Eric Zarnikow
Executive Director
Illinois Student Assistance Commission
James R. Thompson Center
100 West Randolph, Suite 3-200
Chicago, IL 60601-3293

**Re: College Illinois!® Prepaid Tuition Program
Supplemental Actuarial Soundness Valuation Report as of June 30, 2016**

Dear Mr. Zarnikow:

In accordance with the request of the Illinois Student Assistance Commission (“ISAC”), Gabriel, Roeder, Smith & Company (“GRS”) has performed projections of the College Illinois!® Prepaid Tuition Program (“Program” or “CIPTP”) under alternative open group and closed group scenarios. The purpose of these projections is to provide additional information to ISAC regarding the range of potential outcomes of different future year contract sales scenarios.

Please note that the open group scenarios included in this report (1) were specifically requested by ISAC, (2) are presented for illustrative purposes only and (3) do not consider how increases in contract prices can impact future sales. Because there are many factors that may impact the decision to purchase or not to purchase a prepaid tuition contract in Illinois, including but not limited to (1) increasingly unaffordable college tuition, (2) the extended state budget impasse, (3) uncertainty about the state’s support and funding for higher education in Illinois, (4) contract prices, (5) the level of contribution premium over the expected costs, and (6) competing savings vehicles, etc., it is very difficult to assess the likelihood of selling a particular number of contracts. Therefore, GRS is unable to judge the reasonableness of these open group contract sales scenarios.

While the closing of the CIPTP has not occurred, we have also provided an alternate closed group projection assuming no new contract sales after June 30, 2016. Please note that this closed group scenario was specifically requested by ISAC and is also presented for illustrative purposes only.

For purposes of this analysis, we used the actuarial soundness valuation results from the June 30, 2016, Actuarial Soundness Valuation, and unless noted differently, the same actuarial assumptions and methods as used for the June 30, 2016, Actuarial Soundness Valuation.

The projection results summarized in this report involve actuarial calculations that require assumptions about future events. The major actuarial assumptions used in this analysis were provided by and are the responsibility of ISAC. We are unable to judge the reasonableness of some of these assumptions without performing a substantial amount of additional work beyond the scope of the assignment.

This supplemental report was prepared at the request of ISAC and is intended for use by ISAC and those designated or approved by ISAC. This report may be provided to parties other than ISAC only in its entirety and only with the permission of ISAC. This report should not be relied on for any purpose other than the purpose described above.

Please understand that future actuarial measurements may differ significantly from the current measurements presented in this analysis due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

This supplemental report is one of multiple documents providing actuarial soundness valuation results for the College Illinois!® Prepaid Tuition Program as of June 30, 2016. Additional information regarding actuarial assumptions and methods, underlying financial and beneficiary data and important additional disclosures are provided in the June 30, 2016, Actuarial Soundness Valuation.

This supplemental report is not a recommendation to anyone to participate or not participate in the CIPTP. GRS makes no representations or warranties to any person participating in or considering participation in the CIPTP.

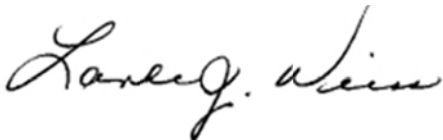
All calculations have been made in conformity with generally accepted actuarial principles and practices commonly applicable to similar types of arrangements. There are currently no Actuarial Standards of Practice which specifically relate to prepaid tuition plans. We have looked to the Actuarial Standards of Practice related to pensions for guidance due to their similar nature.

Lance J. Weiss and Amy Williams are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Lance J. Weiss and Amy Williams are independent of ISAC.

Respectfully submitted,

Gabriel, Roeder, Smith and Company



Lance J. Weiss, EA, MAAA, FCA
Senior Consultant and Team Leader



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SECTION A
BACKGROUND

BACKGROUND

Purpose of Projections

In accordance with the request of the Illinois Student Assistance Commission (“ISAC”), Gabriel, Roeder, Smith & Company (“GRS”) has performed projections of the College Illinois!® Prepaid Tuition Program (“Program” or “CIPTP”) under alternative open group and closed group scenarios. The purpose of these projections is to provide additional information to ISAC regarding the range of potential outcomes of different future year contract sales scenarios.

Illustrative Open and Closed Group Scenarios

Please note that the open group scenarios included in this report (1) were specifically requested by ISAC, (2) are presented for illustrative purposes only and (3) do not consider how increases in contract prices can impact future sales. Because there are many factors that may impact the decision to purchase or not to purchase a prepaid tuition contract in Illinois, including but not limited to (1) increasingly unaffordable college tuition, (2) the extended state budget impasse, (3) uncertainty about the state’s support and funding for higher education in Illinois, (4) contract prices, (5) the level of contribution premium over the expected costs, and (6) competing savings vehicles, etc., it is very difficult to assess the likelihood of selling a particular number of contracts. Therefore, GRS is unable to judge the reasonableness of these open group contract scenarios.

While the closing of the CIPTP has not occurred, we have also provided an alternate closed group projection assuming no new contract sales after June 30, 2016. Please note that this closed group scenario was specifically requested by ISAC and is also presented for illustrative purposes only.

Historical Number of Contracts Sold by Enrollment Year

The chart on page 16 in Section D of the June 30, 2016, Actuarial Soundness Valuation Report illustrates the number of contracts sold by enrollment year.

As this chart indicates, the number of contracts sold has decreased significantly during the last five enrollment years from the number sold per year in previous years.

- The average annual number of contracts sold beginning with the enrollment period 1999/2000 and ending with the enrollment period 2009/2010 was 5,235.
- The average annual number of contracts sold during the last six year period 2010/2011 to 2015/2016 was 577 including 2011/2012 when the plan was not open for new contract sales.
- The average annual number of contracts sold during the last six year period 2010/2011 to 2015/2016 was 692 excluding 2011/2012 when the plan was not open for new contract sales.

Projections Assumptions

The projection results summarized in this supplemental report involve actuarial calculations that require assumptions about future events. The major actuarial assumptions used in this analysis were provided by and are the responsibility of ISAC. We are unable to judge the reasonableness of some of these assumptions without performing a substantial amount of additional work beyond the scope of the assignment.

For purposes of this analysis, we used the actuarial soundness valuation results from the June 30, 2016, Actuarial Soundness Valuation, and unless noted differently, the same actuarial assumptions and methods as used for the June 30, 2016, Actuarial Soundness Valuation. The contract prices for future new contracts were based on the prices for the enrollment period from January 18, 2017, through May 31, 2017, and are assumed to increase each year by the tuition and fee increase assumption.

Given the current asset allocation and liquidity requirements, and assuming that a sufficient number of new contracts are sold in future years to maintain the current asset allocation, the net investment rate of return assumption of 6.75% appears to be consistent with applicable Actuarial Standards of Practice.

However, for those projection scenarios where the Trust assets are being depleted very quickly, it is likely that ISAC will need to change the Trust asset allocation to a high cash position and will no longer be able to consistently earn 6.75%. Further, for those projection scenarios where the Trust is completely exhausted, ISAC will need to rely totally on additional payments from the State of Illinois. For these scenarios, we have incorporated a “select and ultimate” approach to the investment return assumption (and also the related discount rate for the liabilities). Under this “select and ultimate” approach to the investment return assumption, we have assumed that the net investment return and discount rate grade down from 6.75% to 4.00% in yearly increments based on the number of years until the Trust is projected to run out of money to pay benefits. Implicit in this approach is the assumption that once the Trust is completely exhausted, and ISAC is relying on additional payments from the State of Illinois, the State will be making payments to the College Illinois!® Prepaid Tuition Program from the State Portfolio. (The State Portfolio has assets of approximately \$12-\$14 billion, and provides the necessary liquidity to meet the state’s daily obligations while investing remaining funds in authorized short/long-term investment opportunities.) Based on input from ISAC, we have assumed that underlying return on such assets in the State Portfolio is 4.0%.

Important Disclosure

This supplemental report is not a recommendation to anyone to participate or not participate in the CIPTP. GRS makes no representations or warranties to any person or persons participating in or considering participation in the CIPTP.

SECTION B

PROJECTION RESULTS

Discussion of Scenario Results

Scenario 1 – Closed Group -- Run-Off Scenario; Zero New Contracts Sold Per Year

While the closing of the Program has not occurred, we have provided the results of a closed group run-off projection scenario in Scenario 1. Under this illustrative closed group scenario, we have assumed that the program continues to operate but with no new contract sales after June 30, 2016. Under this scenario, future payments from current contract holders, current Trust assets and future investment income are projected to be insufficient by the year 2025 to make the required tuition payments and additional funds will be required to maintain solvency (\$622.9 million for the period 2025 to 2052). The CIPTP funded status is projected to decrease from 74.5% in 2016 to 0.5% in 2025 when additional solvency contributions are required) and then decrease to 0.0% in 2030 and remain at 0.0% for the remaining years in the projection period.

Under this scenario, the Trust is projected to be completely exhausted in 2025. Therefore, we have incorporated a “select and ultimate” approach to the investment return assumption (and also the related discount rate for the liabilities). Under this “select and ultimate” approach to the investment return assumption, we have assumed that the net investment return and discount rate grade down from 6.75% in 2016 to 4.00% in 2025 in equal yearly increments of 0.345%.

Scenario 2 – Open Group -- 500 New Contracts Sold Per Year

Scenario 2 illustrates the results of an open group projection scenario assuming 500 new contracts are sold each year. Under this illustrative new contract sales assumption, member payments, fund principal and investment income future payments from contract holders, Trust assets and future investment income are projected to be insufficient to make the required tuition payments in year 2026 and additional funds will be required to maintain solvency (\$386.5 million for the period 2026 to 2039). The CIPTP funded status is projected to decrease from 74.9% in 2016 to a low of 7.0% in 2026 (when additional solvency contributions are required) and then very slowly increase to only 20.9% in 2053.

Under this scenario, the Trust is projected to be completely exhausted in 2026. Therefore, we have incorporated a “select and ultimate” approach to the investment return assumption (and also the related discount rate for the liabilities). Under this “select and ultimate” approach to the investment return assumption, we have assumed that the net investment return and discount rate grade down from 6.75% in 2016 to 4.00% in 2026 in equal yearly increments of 0.306%.

Scenario 3 – Open Group -- 1,000 New Contracts Sold Per Year

Scenario 3 illustrates the results of an open group projection scenario assuming 1,000 new contracts are sold each year. Under this specific new contract sales assumption, future payments from contract holders, Trust assets and future investment income are projected to be sufficient to make the required tuition payments in all projection years. However, the funded ratio is projected to decrease from 79.4% in 2016 to a low of 19.2% in 2032 before slowly increasing to 64.1% in 2053.

Under this scenario, the Trust is not projected to be exhausted during the projection period. Therefore, assuming that ISAC is able to maintain the current asset allocation throughout the entire projection

period, we have used a flat investment return (and discount rate) assumption of 6.75 percent for this projection scenario.

Scenario 4 – Open Group -- 1,500 New Contracts Sold Per Year

Scenario 4 illustrates the results of an open group projection scenario assuming 1,500 new contracts are sold each year. Under this illustrative new contract sales assumption, future payments from contract holders, Trust assets and future investment income are projected to be sufficient to make the required tuition payments in all projection years. However, the CIPTP funded status is projected to decrease from 79.4% in 2016 to a low of 57.3% in 2027 before increasing to 101.8% in 2042. After 2042, the CIPTP funded status is projected to continue to increase to 149.7% in 2053.

Under this scenario, the Trust is not projected to be exhausted during the projection period. Therefore, assuming that ISAC is able to maintain the current asset allocation throughout the entire projection period, we have used a flat investment return (and discount rate) assumption of 6.75 percent for this projection scenario.

Scenario 5 – Open Group -- 2,500 New Contracts Sold Per Year

Scenario 5 illustrates the results of an open group projection scenario assuming 2,500 new contracts are sold each year. Under this illustrative new contract sales assumption, future payments from contract holders, Trust assets and future investment income are projected to be sufficient to make the required tuition payments in all projection years. However, the CIPTP funded status is projected to decrease from 79.4% in 2016 to a low of 75.1% in 2020 and then increase to 103.3% in 2031. After 2031, the CIPTP funded status is projected to continue to increase to 221.5% in 2053.

Under this scenario, the Trust is not projected to be exhausted during the projection period. Therefore, assuming that ISAC is able to maintain the current asset allocation throughout the entire projection period, we have used a flat investment return (and discount rate) assumption of 6.75 percent for this projection scenario.

Scenario 6 – Open Group -- 5% Annual Contract Sales Growth From 500 Contracts Sold in FY17 to 2,500 Contracts Sold and Then Stable at 2,500 Contracts Per Year

Scenario 6 illustrates the results of an open group projection scenario assuming new contract sales starting with 500 new contracts sold in 2017 and then increasing by 5.0% each year to 2,500 sold in 2050 and each future year. Under this illustrative new contract sales assumption, future payments from contract holders, Trust assets and future investment income are projected to be insufficient to make the required tuition payments in years 2027 through 2031 and additional solvency contributions will be required to maintain solvency (\$164.4 million for the period 2027 to 2031). The CIPTP funded status is projected to decrease very quickly from 79.4% in 2016 to a low of 11.3% in 2027 (and additional solvency contributions are required) and then increase to 128.2% in 2053.

Under this scenario, the Trust is projected to be completely exhausted in 2027. However, because additional solvency contributions are only required for five years before the funded status is projected to increase, we have used a flat investment return (and discount rate) assumption of 6.75 percent for this projection scenario. This assumes that ISAC is able to maintain the current asset allocation throughout most of the projection period.

Scenario 7 – Open Group -- 10% Annual Contract Sales Growth From 500 Contracts Sold in FY17 to 2,500 Contracts Sold and Then Stable at 2,500 Contracts Per Year

Scenario 7 illustrates the results of an open group projection scenario assuming new contract sales starting with 500 new contracts sold in 2017 and then increasing by 10.0% each year to 2,500 sold in 2034 and each future year. Under this illustrative new contract sales assumption, future payments from contract holders, Trust assets and future investment income are projected to be insufficient to make the required tuition payments in years 2028 and 2029 and additional solvency contributions will be required to maintain solvency (\$25.3 million for the period 2028 to 2029). The CIPTP funded status is projected to decrease very quickly from 79.4% in 2016 to a low of 17.0% in 2028 (and additional solvency contributions are required) and then increase to 102.2% in 2042. After 2042, the CIPTP funded status is projected to continue to increase to 156.7% in 2053.

Under this scenario, the Trust is projected to be completely exhausted in 2028. However, because additional solvency contributions are only required for two years before the funded status is projected to increase, we have used a flat investment return (and discount rate) assumption of 6.75 percent for this projection scenario. This assumes that ISAC is able to maintain the current asset allocation throughout most of the projection period.

Scenario 8 – Open Group -- 15% Annual Contract Sales Growth From 500 Contracts Sold in FY17 to 2,500 Contracts Sold and Then Stable at 2,500 Contracts Per Year

Scenario 8 illustrates the results of an open group projection scenario assuming new contract sales starting with 500 new contracts sold in 2017 and then increasing by 15.0% each year to 2,500 sold in 2029 and each future year. Under this illustrative new contract sales assumption, future payments from contract holders, Trust assets and future investment income are projected to be sufficient to make the required tuition payments in in all projection years. However, the CIPTP funded ratio is projected to decrease from 79.4% in 2016 to a low of 34.1% in 2027 before slowly increasing to 102.1% in 2039. After 2039, the CIPTP funded status is projected to continue to increase to 172.4% in 2053.

Under this scenario, the Trust is not projected to be exhausted during the projection period. Therefore, assuming that ISAC is able to maintain the current asset allocation throughout the entire projection period, we have used a flat investment return (and discount rate) assumption of 6.75 percent for this projection scenario.

Summary Table

Scenario	Scenario Description	Discount Rate/Type	Tuition/Fee Increase	Year of Asset Depletion	Required Solvency Contributions	Funded Ratio			Funded Ratio Year	
						2016	2053	Minimum	Minimum	100%
1	Closed Group (Run Off)	Select and Ultimate	5.00%	2025	\$ 622,926,368	74.5%	0.0%	0.0%	2030	NA
2	Open Group (500 New Contracts Per Year)	Select and Ultimate	5.00%	2026	\$ 386,491,411	74.9%	20.9%	7.0%	2026	NA
3	Open Group (1,000 New Contracts Per Year)	6.75%	5.00%	NA	\$ -	79.4%	64.1%	19.2%	2032	NA
4	Open Group (1,500 New Contracts Per Year)	6.75%	5.00%	NA	\$ -	79.4%	149.7%	57.3%	2027	2042
5	Open Group (2,500 New Contracts Per Year)	6.75%	5.00%	NA	\$ -	79.4%	221.5%	75.1%	2020	2031
6	Open Group (5% Annual Growth)*	6.75%	5.00%	2027	\$ 164,374,115	79.4%	128.2%	11.3%	2027	2048
7	Open Group (10% Annual Growth)*	6.75%	5.00%	2028	\$ 25,332,730	79.4%	156.7%	17.0%	2028	2042
8	Open Group (15% Annual Growth)*	6.75%	5.00%	NA	\$ -	79.4%	172.4%	34.1%	2027	2039

*500 contracts assumed to be sold in FY 2017, with an annual increase in contract sales until a maximum of 2,500 contracts per year are sold annually.

SECTION C

ALTERNATIVE SCENARIOS PROJECTION TABLES

Closed Group Projections

Scenario 1 — Run-Off Scenario

Projection Based on Data as of June 30, 2016

Assumed Net Investment Return and Discount Rates Graded Down from 6.75% to 4.00% in 0.345% Yearly Increments

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

Zero New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets								Liabilities				Unfunded Liability	Funded Ratio
			Contributions	Additional Required Solvency Contributions ^a	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses			
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 52,129,233	\$ 1,018,334,431	\$ 1,312,156,800	\$ 54,241,529	\$ 1,366,398,329	\$ 348,063,898	74.5%	
2017	6.750%	0	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	39,290,866	923,863,347	1,243,522,534	51,977,309	1,295,499,844	371,636,497	71.3%	
2018	6.405%	0	11,107,691	-	153,397,046	5,907,176	51,910,873	788,286,822	30,349,551	818,636,373	1,164,936,805	49,213,038	1,214,149,844	395,513,471	67.4%	
2019	6.060%	0	9,200,451	-	155,678,110	6,084,392	43,147,551	678,872,323	22,713,610	701,585,933	1,075,206,196	45,929,311	1,121,135,507	419,549,574	62.6%	
2020	5.715%	0	6,988,429	-	158,275,074	6,266,923	34,295,460	555,614,215	16,826,344	572,440,559	973,919,282	42,110,658	1,016,029,940	443,589,381	56.3%	
2021	5.370%	0	5,075,300	-	151,943,814	6,454,931	25,719,749	428,010,519	12,520,128	440,530,647	870,248,589	37,746,021	907,994,610	467,463,963	48.5%	
2022	5.025%	0	4,549,089	-	141,121,708	6,648,579	17,909,096	302,698,417	8,487,281	311,185,698	769,354,647	32,829,181	802,183,828	490,998,130	38.8%	
2023	4.680%	0	3,293,936	-	137,555,606	6,848,036	10,864,319	172,453,030	5,514,353	177,967,383	664,622,841	27,359,138	691,981,980	514,014,597	25.7%	
2024	4.335%	0	2,176,197	-	129,961,017	6,102,014	4,573,842	43,140,038	3,530,534	46,670,572	560,686,203	22,312,285	582,998,488	536,327,916	8.0%	
2025	4.000%	0	1,288,974	81,042,190	120,996,985	5,320,100	845,883	-	2,357,255	2,357,255	459,720,454	17,779,317	477,499,771	475,142,516	0.5%	
2026	4.000%	0	878,358	110,249,474	106,610,448	4,517,384	-	-	1,555,792	1,555,792	369,387,521	13,883,644	383,271,165	381,715,373	0.4%	
2027	4.000%	0	703,354	98,416,230	95,361,622	3,757,962	-	-	900,741	900,741	286,912,867	10,606,605	297,519,472	296,618,731	0.3%	
2028	4.000%	0	460,203	81,114,557	78,556,677	3,018,083	-	-	467,453	467,453	218,276,976	7,953,016	226,229,992	225,762,539	0.2%	
2029	4.000%	0	292,329	65,767,988	63,686,984	2,373,333	-	-	188,033	188,033	162,059,820	5,850,803	167,910,623	167,722,590	0.1%	
2030	4.000%	0	163,560	51,183,470	49,526,703	1,820,326	-	-	28,756	28,756	118,034,688	4,228,459	122,263,146	122,234,390	0.0%	
2031	4.000%	0	29,325	38,892,489	37,552,469	1,369,345	-	-	-	-	84,459,920	3,001,134	87,461,054	87,461,054	0.0%	
2032	4.000%	0	-	28,698,209	27,686,272	1,011,936	-	-	-	-	59,603,749	2,089,203	61,692,951	61,692,951	0.0%	
2033	4.000%	0	-	21,165,152	20,427,406	737,746	-	-	-	-	41,155,951	1,420,415	42,576,365	42,576,365	0.0%	
2034	4.000%	0	-	15,402,412	14,876,151	526,262	-	-	-	-	27,631,432	940,548	28,571,980	28,571,980	0.0%	
2035	4.000%	0	-	10,895,993	10,531,063	364,930	-	-	-	-	17,997,070	606,012	18,603,083	18,603,083	0.0%	
2036	4.000%	0	-	7,423,754	7,178,330	245,424	-	-	-	-	11,396,465	379,968	11,776,433	11,776,433	0.0%	
2037	4.000%	0	-	4,918,323	4,757,876	160,448	-	-	-	-	7,000,223	231,542	7,231,765	7,231,765	0.0%	
2038	4.000%	0	-	3,184,733	3,083,005	101,727	-	-	-	-	4,136,171	137,062	4,273,233	4,273,233	0.0%	
2039	4.000%	0	-	1,949,628	1,887,624	62,003	-	-	-	-	2,376,611	79,313	2,455,924	2,455,924	0.0%	
2040	4.000%	0	-	1,112,411	1,075,673	36,738	-	-	-	-	1,374,700	45,020	1,419,720	1,419,720	0.0%	
2041	4.000%	0	-	666,350	644,407	21,943	-	-	-	-	772,519	24,444	796,963	796,963	0.0%	
2042	4.000%	0	-	403,868	391,127	12,741	-	-	-	-	404,547	12,428	416,975	416,975	0.0%	
2043	4.000%	0	-	221,595	214,704	6,891	-	-	-	-	201,773	5,897	207,670	207,670	0.0%	
2044	4.000%	0	-	130,741	127,188	3,553	-	-	-	-	80,137	2,510	82,647	82,647	0.0%	
2045	4.000%	0	-	49,296	47,845	1,451	-	-	-	-	34,550	1,131	35,680	35,680	0.0%	
2046	4.000%	0	-	19,951	19,307	644	-	-	-	-	16,242	519	16,762	16,762	0.0%	
2047	4.000%	0	-	9,822	9,510	312	-	-	-	-	7,194	221	7,415	7,415	0.0%	
2048	4.000%	0	-	4,613	4,470	143	-	-	-	-	2,923	84	3,007	3,007	0.0%	
2049	4.000%	0	-	2,059	1,999	60	-	-	-	-	1,001	27	1,028	1,028	0.0%	
2050	4.000%	0	-	796	775	21	-	-	-	-	251	6	257	257	0.0%	
2051	4.000%	0	-	238	232	6	-	-	-	-	25	1	25	25	0.0%	
2052	4.000%	0	-	26	25	1	-	-	-	-	-	-	-	-	0.0%	
2053	4.000%	0	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	

^a Additional contributions in the amount of \$622,926,368 are needed over the years 2025 through 2052 to pay all benefits due.

Open Group Projections

Scenario 2 — Continuing Business Scenario

Projection Based on Data as of June 30, 2016

Assumed Net Investment Return and Discount Rates Graded Down from 6.75% to 4.00% in 0.306% Yearly Increments

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

500 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets							Liabilities					Unfunded Liability	Funded Ratio
			Contributions	Additional Required Solvency Contributions ^a	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses			
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 52,028,315	\$ 1,018,233,513	\$ 1,304,897,425	\$ 53,936,969	\$ 1,358,834,394	\$ 340,600,881	74.9%	
2017	6.750%	500	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	46,049,944	930,622,425	1,247,061,460	61,462,966	1,308,524,426	377,902,001	71.1%	
2018	6.444%	500	19,733,005	-	153,397,046	6,712,700	52,478,912	796,674,651	43,296,468	839,971,119	1,181,278,188	58,106,690	1,239,384,878	399,413,759	67.8%	
2019	6.138%	500	19,745,179	-	155,678,110	6,914,082	44,515,915	698,343,554	41,081,665	739,425,219	1,106,378,698	54,180,832	1,160,559,531	421,134,312	63.7%	
2020	5.832%	500	19,505,214	-	158,275,074	7,121,503	36,473,204	588,925,395	39,747,061	628,672,456	1,021,941,137	49,668,770	1,071,609,907	442,937,451	58.7%	
2021	5.526%	500	19,627,520	-	151,943,814	7,335,149	28,685,448	477,959,400	39,017,811	516,977,211	936,816,257	44,821,766	981,638,023	464,660,812	52.7%	
2022	5.220%	500	21,209,792	-	141,394,522	7,555,203	21,615,468	371,834,935	38,301,546	410,136,481	856,021,496	39,422,695	895,444,191	485,307,710	45.8%	
2023	4.914%	500	21,337,751	-	138,166,670	7,781,859	15,210,282	262,434,439	38,429,911	300,864,350	772,616,061	45,168,056	817,784,116	516,919,766	36.8%	
2024	4.608%	500	21,570,793	-	131,125,818	8,015,315	9,384,158	154,248,257	39,343,393	193,591,650	690,719,053	51,097,041	741,816,093	548,224,443	26.1%	
2025	4.302%	500	22,037,053	-	123,077,594	8,255,775	4,284,796	49,236,737	40,874,295	90,111,032	611,974,671	56,971,750	668,946,421	578,835,389	13.5%	
2026	4.000%	500	22,980,603	45,229,305	109,908,623	8,503,448	965,426	-	42,598,994	42,598,994	542,274,522	61,974,513	604,249,035	561,650,041	7.0%	
2027	4.000%	500	24,147,573	84,741,105	100,130,127	8,758,551	-	-	44,430,520	44,430,520	480,520,708	66,627,131	547,147,839	502,717,319	8.1%	
2028	4.000%	500	25,262,851	68,758,013	84,999,556	9,021,308	-	-	46,468,428	46,468,428	432,633,544	69,965,028	502,598,572	456,130,144	9.2%	
2029	4.000%	500	26,489,146	54,717,065	71,914,264	9,291,947	-	-	48,665,873	48,665,873	397,101,285	72,260,261	469,361,546	420,695,673	10.4%	
2030	4.000%	500	27,797,378	41,452,691	59,679,363	9,570,705	-	-	51,002,226	51,002,226	373,572,534	73,750,700	447,323,233	396,321,007	11.4%	
2031	4.000%	500	29,154,807	30,505,738	49,802,718	9,857,827	-	-	53,522,144	53,522,144	360,435,457	74,568,782	435,004,239	381,482,095	12.3%	
2032	4.000%	500	30,654,915	21,453,128	41,954,481	10,153,561	-	-	56,198,251	56,198,251	355,955,819	75,160,355	431,116,173	374,917,922	13.0%	
2033	4.000%	500	32,187,661	15,042,026	36,771,518	10,458,169	-	-	59,008,164	59,008,164	357,928,924	75,788,519	433,717,442	374,709,278	13.6%	
2034	4.000%	500	33,797,044	10,225,871	33,251,002	10,771,914	-	-	61,958,572	61,958,572	364,957,833	76,626,918	441,584,751	379,626,179	14.0%	
2035	4.000%	500	35,486,896	6,523,878	30,915,703	11,095,071	-	-	65,056,500	65,056,500	375,813,072	78,044,908	453,857,981	388,801,481	14.3%	
2036	4.000%	500	37,261,241	4,004,114	29,837,432	11,427,923	-	-	68,309,325	68,309,325	389,714,969	79,882,470	469,597,439	401,288,114	14.5%	
2037	4.000%	500	39,124,303	2,330,443	29,683,986	11,770,761	-	-	71,724,792	71,724,792	406,045,010	81,884,362	487,929,372	416,204,580	14.7%	
2038	4.000%	500	41,080,518	1,187,007	30,143,641	12,123,883	-	-	75,311,031	75,311,031	424,336,089	84,074,691	508,410,780	433,099,749	14.8%	
2039	4.000%	500	43,134,544	321,027	30,967,970	12,487,600	-	-	79,076,583	79,076,583	444,343,062	86,386,390	530,729,452	451,652,869	14.9%	
2040	4.000%	500	45,291,271	-	32,094,904	12,862,228	6,683	340,822	83,030,412	83,371,234	465,903,109	88,770,655	554,673,764	471,302,530	15.0%	
2041	4.000%	500	47,555,834	-	33,531,487	13,248,095	29,158	1,146,232	87,181,932	88,328,164	488,802,743	91,531,334	580,334,077	492,005,913	15.2%	
2042	4.000%	500	49,933,626	-	35,125,332	13,645,538	69,104	2,378,092	91,541,029	93,919,121	512,993,134	94,687,713	607,680,847	513,761,726	15.5%	
2043	4.000%	500	52,430,307	-	36,812,661	14,054,904	126,379	4,067,213	96,118,080	100,185,293	538,503,579	98,103,578	636,607,157	536,421,864	15.7%	
2044	4.000%	500	55,051,823	-	38,632,839	14,476,551	201,537	6,211,183	100,923,984	107,135,167	565,341,192	101,644,543	666,985,735	559,850,568	16.1%	
2045	4.000%	500	57,804,414	-	40,520,926	14,910,848	295,900	8,879,723	105,970,184	114,849,907	593,582,406	105,221,394	698,803,799	583,953,892	16.4%	
2046	4.000%	500	60,694,635	-	42,537,790	15,358,173	411,162	12,089,557	111,268,693	123,358,250	623,253,972	108,743,638	731,997,611	608,639,361	16.9%	
2047	4.000%	500	63,729,366	-	44,665,895	15,818,918	548,473	15,882,583	116,832,128	132,714,711	654,413,150	112,169,614	766,582,764	633,868,053	17.3%	
2048	4.000%	500	66,915,835	-	46,900,187	16,293,486	709,747	20,314,492	122,673,734	142,978,226	687,132,192	115,509,738	802,641,930	659,653,704	17.8%	
2049	4.000%	500	70,261,626	-	49,246,010	16,782,290	897,246	25,445,064	128,807,421	154,252,485	721,488,067	118,801,236	840,289,303	686,036,818	18.4%	
2050	4.000%	500	73,774,708	-	51,708,754	17,285,759	1,113,406	31,338,665	135,247,792	166,586,457	757,562,198	122,097,207	879,659,405	713,072,948	18.9%	
2051	4.000%	500	77,463,443	-	54,294,452	17,804,332	1,360,840	38,064,164	142,010,181	180,074,345	795,440,236	125,461,118	920,901,353	740,827,008	19.6%	
2052	4.000%	500	81,336,615	-	57,009,331	18,338,462	1,642,343	45,695,329	149,110,690	194,860,019	835,212,250	128,948,294	964,160,544	769,653,525	20.2%	
2053	4.000%	500	85,403,446	-	59,859,914	18,888,616	1,960,911	54,311,156	156,566,225	210,877,381	876,972,862	132,605,922	1,009,578,784	798,701,403	20.9%	

^a Additional contributions in the amount of \$386,491,411 are needed over the years 2026 through 2039 to pay all benefits due.

Open Group Projections

Scenario 3 — Continuing Business Scenario

Projection Based on Data as of June 30, 2016

6.75% Assumed Net Investment Return

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

1,000 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets							Liabilities					Unfunded Liability	Funded Ratio
			Contributions	Additional Required Solvency	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses			
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 51,206,641	\$ 1,017,411,839	\$ 1,230,800,269	\$ 50,926,306	\$ 1,281,726,575	\$ 264,314,736	79.4%	
2017	6.750%	1,000	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	51,639,981	936,212,462	1,174,909,891	57,868,246	1,232,778,137	296,565,675	75.9%	
2018	6.750%	1,000	28,358,320	-	153,397,046	6,712,700	55,262,032	808,083,086	54,574,801	862,657,887	1,114,873,873	54,428,997	1,169,302,870	306,644,983	73.8%	
2019	6.750%	1,000	30,289,907	-	155,678,110	6,914,082	50,080,406	725,861,208	57,238,984	783,100,192	1,049,385,993	50,537,238	1,099,923,231	316,823,039	71.2%	
2020	6.750%	1,000	32,022,000	-	158,275,074	7,121,503	44,494,240	636,980,871	59,879,986	696,860,857	977,799,731	46,155,814	1,023,955,545	327,094,688	68.1%	
2021	6.750%	1,000	34,179,741	-	151,943,814	7,335,149	38,774,110	550,655,759	62,122,357	612,778,116	908,414,594	41,562,116	949,976,710	337,198,594	64.5%	
2022	6.750%	1,000	37,870,495	-	141,667,337	7,555,203	33,411,132	472,714,846	64,095,305	536,810,151	845,936,656	36,465,883	882,402,539	345,592,388	60.8%	
2023	6.750%	1,000	39,381,567	-	138,777,734	7,781,859	28,290,994	393,827,814	66,695,276	460,523,090	782,945,386	42,132,430	825,077,816	364,554,726	55.8%	
2024	6.750%	1,000	40,965,388	-	132,220,620	8,015,315	23,230,634	317,717,901	69,916,445	387,634,346	722,878,367	47,965,388	770,843,755	383,209,409	50.3%	
2025	6.750%	1,000	42,785,132	-	125,158,203	8,255,775	18,387,235	245,476,290	73,665,550	319,141,840	666,785,431	53,660,981	720,446,412	401,304,572	44.3%	
2026	6.750%	1,000	45,082,847	-	113,206,797	8,503,448	13,983,475	182,832,367	77,620,591	260,452,958	620,079,194	58,347,101	678,426,295	417,973,337	38.4%	
2027	6.750%	1,000	47,591,792	-	104,898,633	8,758,551	10,111,478	126,878,453	81,633,117	208,511,570	579,797,095	62,567,016	642,364,112	433,852,542	32.5%	
2028	6.750%	1,000	50,065,500	-	91,442,436	9,021,308	6,863,355	85,824,404	85,824,404	169,167,968	551,956,708	65,368,762	617,325,470	448,157,502	27.4%	
2029	6.750%	1,000	52,685,962	-	80,141,543	9,291,947	4,385,462	50,981,498	90,167,112	141,148,610	535,181,283	67,074,017	602,255,299	461,106,689	23.4%	
2030	6.750%	1,000	55,431,197	-	69,832,023	9,570,705	2,632,212	29,642,178	94,651,330	124,293,508	529,206,863	68,018,854	597,225,717	472,932,209	20.8%	
2031	6.750%	1,000	58,280,289	-	62,052,967	9,857,827	1,540,817	17,552,490	99,354,095	116,906,585	532,750,310	68,355,815	601,106,126	484,199,541	19.4%	
2032	6.750%	1,000	61,309,830	-	56,222,690	10,153,561	1,013,801	13,499,869	104,321,799	117,821,668	68,590,008	612,832,298	495,010,630	580,790,178	32.0%	
2033	6.750%	1,000	64,375,321	-	53,115,631	10,458,169	938,293	15,239,683	109,537,889	124,777,572	561,709,029	68,970,394	630,679,423	505,901,851	19.8%	
2034	6.750%	1,000	67,594,087	-	51,625,852	10,771,914	1,204,054	21,640,059	115,014,784	136,654,843	583,927,585	69,650,287	653,577,872	516,923,029	20.9%	
2035	6.750%	1,000	70,973,792	-	51,300,343	11,095,071	1,750,224	31,968,661	120,765,523	152,734,184	609,525,088	71,036,114	680,561,203	527,827,019	22.4%	
2036	6.750%	1,000	74,522,481	-	52,496,534	11,427,923	2,515,568	45,082,253	126,803,799	171,886,052	637,824,213	72,917,411	710,741,624	538,855,572	24.2%	
2037	6.750%	1,000	78,248,605	-	54,610,096	11,770,761	3,443,589	60,393,591	133,143,989	193,537,580	668,427,564	74,935,316	743,362,880	549,825,300	26.0%	
2038	6.750%	1,000	82,161,035	-	57,204,277	12,123,883	4,509,677	77,736,142	139,801,189	217,537,331	701,072,794	77,090,887	778,163,681	560,626,350	28.0%	
2039	6.750%	1,000	86,269,087	-	60,048,317	12,487,600	5,710,684	97,179,995	146,791,248	243,971,243	735,690,301	79,288,403	814,978,704	571,007,461	29.9%	
2040	6.750%	1,000	90,582,542	-	63,114,136	12,862,228	7,052,608	118,838,781	154,130,811	272,969,592	772,290,851	81,468,919	853,759,770	580,790,178	32.0%	
2041	6.750%	1,000	95,111,669	-	66,418,567	13,248,095	8,542,887	142,826,675	161,837,351	304,664,026	810,791,158	84,033,823	894,824,980	590,160,954	34.0%	
2042	6.750%	1,000	99,867,252	-	69,859,537	13,645,538	10,193,024	169,381,876	169,929,219	339,311,095	851,241,228	87,030,544	938,271,772	598,960,677	36.2%	
2043	6.750%	1,000	104,860,615	-	73,410,619	14,054,904	12,020,361	198,797,329	178,425,680	377,223,009	893,749,490	90,299,322	984,048,811	606,825,802	38.3%	
2044	6.750%	1,000	110,103,645	-	77,138,491	14,476,551	14,042,810	231,328,742	187,346,964	418,675,706	938,393,951	93,668,753	1,032,062,704	613,386,998	40.6%	
2045	6.750%	1,000	115,608,828	-	80,994,008	14,910,848	16,279,699	267,312,413	196,714,312	464,026,725	985,311,343	97,037,091	1,082,348,434	618,321,709	42.9%	
2046	6.750%	1,000	121,389,269	-	85,056,273	15,358,173	18,751,488	307,038,724	206,550,027	513,588,751	1,034,581,654	100,291,998	1,134,873,652	621,284,901	45.3%	
2047	6.750%	1,000	127,458,733	-	89,322,280	15,818,918	21,478,331	350,834,590	216,877,529	567,712,119	1,086,313,462	103,386,438	1,189,699,900	621,987,781	47.7%	
2048	6.750%	1,000	133,831,669	-	93,795,904	16,293,486	24,482,637	399,059,506	227,721,405	626,780,911	1,140,630,493	106,346,301	1,246,976,794	620,195,883	50.3%	
2049	6.750%	1,000	140,523,253	-	98,490,022	16,782,290	27,788,736	452,099,183	239,107,475	691,206,658	1,197,662,601	109,230,577	1,306,893,178	615,686,520	52.9%	
2050	6.750%	1,000	147,549,415	-	103,416,733	17,285,759	31,422,778	510,368,884	251,062,849	761,431,733	1,257,545,980	112,116,107	1,369,662,087	608,230,354	55.6%	
2051	6.750%	1,000	154,926,886	-	108,588,672	17,804,332	35,412,918	574,315,684	263,615,992	837,931,676	1,320,423,372	115,088,439	1,435,511,811	597,580,135	58.4%	
2052	6.750%	1,000	162,673,230	-	114,018,637	18,338,462	39,789,478	644,421,293	276,796,791	921,218,084	1,386,444,570	118,215,138	1,504,659,708	583,441,624	61.2%	
2053	6.750%	1,000	170,806,892	-	119,719,828	18,888,616	44,585,135	721,204,876	290,636,631	1,011,841,507	1,455,766,799	121,551,041	1,577,317,840	565,476,333	64.1%	

Open Group Projections

Scenario 4 — Continuing Business Scenario

Projection Based on Data as of June 30, 2016

6.75% Assumed Net Investment Return

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

1,500 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets							Liabilities					
			Contributions	Additional Required Solvency	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses	Unfunded Liability	Funded Ratio
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 51,206,641	\$ 1,017,411,839	\$ 1,230,800,269	\$ 50,926,306	\$ 1,281,726,575	\$ 264,314,736	79.4%
2017	6.750%	1,500	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	58,306,971	942,879,452	1,184,027,618	57,868,246	1,241,895,864	299,016,412	75.9%
2018	6.750%	1,500	36,983,634	-	153,397,046	6,712,700	55,553,136	816,999,504	67,154,602	884,154,106	1,134,180,660	54,428,997	1,188,609,657	304,455,551	74.4%
2019	6.750%	1,500	40,834,634	-	155,678,110	6,914,082	51,038,149	746,280,096	74,911,060	821,191,156	1,080,048,282	50,537,238	1,130,585,520	309,394,364	72.6%
2020	6.750%	1,500	44,538,785	-	158,275,074	7,121,503	46,294,956	671,717,260	81,743,831	753,461,091	1,021,086,632	46,155,814	1,067,242,446	313,781,355	70.6%
2021	6.750%	1,500	48,731,961	-	151,943,814	7,335,149	41,609,954	602,780,212	87,184,146	689,964,358	965,424,144	41,562,116	1,006,986,260	317,021,902	68.5%
2022	6.750%	1,500	54,531,198	-	141,940,151	7,555,203	37,482,624	545,298,680	92,088,667	637,387,347	917,799,787	36,465,883	954,265,670	316,878,323	66.8%
2023	6.750%	1,500	57,425,382	-	139,388,798	7,781,859	33,778,758	489,332,163	97,416,603	586,748,766	870,674,433	42,132,430	912,806,863	326,058,097	64.3%
2024	6.750%	1,500	60,359,984	-	133,455,421	8,015,315	30,292,433	438,513,844	103,195,303	541,709,147	827,208,999	47,965,388	875,174,387	333,465,240	61.9%
2025	6.750%	1,500	63,533,211	-	127,238,812	8,255,775	27,170,988	393,723,456	109,371,487	503,094,943	788,221,746	53,660,981	841,882,727	338,787,784	59.8%
2026	6.750%	1,500	67,185,092	-	116,504,972	8,503,448	24,624,796	360,524,924	115,681,746	476,206,670	758,930,231	58,347,101	817,277,332	341,070,662	58.3%
2027	6.750%	1,500	71,036,010	-	109,667,138	8,758,551	22,736,031	335,871,276	122,013,321	457,884,597	736,215,618	62,567,016	798,782,635	340,898,038	57.3%
2028	6.750%	1,500	74,868,148	-	97,885,315	9,021,308	20,292,433	325,422,814	128,508,538	453,931,352	726,027,472	65,368,762	791,396,234	337,464,882	57.4%
2029	6.750%	1,500	78,882,779	-	88,368,823	9,291,947	21,332,283	327,977,106	135,158,222	463,135,328	726,886,234	67,074,017	793,960,250	330,824,922	58.3%
2030	6.750%	1,500	83,065,015	-	79,984,683	9,570,705	21,919,405	343,406,137	141,962,804	485,368,941	738,387,789	68,018,854	806,406,643	321,037,702	60.2%
2031	6.750%	1,500	87,405,770	-	74,303,216	9,857,827	23,289,424	369,940,288	149,031,142	518,971,430	759,361,526	68,355,815	827,717,342	308,745,912	62.7%
2032	6.750%	1,500	91,964,744	-	70,490,899	10,153,561	25,353,029	406,613,600	156,482,699	563,096,299	788,218,143	68,590,008	856,808,150	293,711,851	65.7%
2033	6.750%	1,500	96,562,982	-	69,459,743	10,458,169	28,008,189	451,266,859	164,306,834	615,573,693	823,071,230	68,970,394	892,041,624	276,467,931	69.0%
2034	6.750%	1,500	101,391,131	-	70,000,703	10,771,914	31,156,388	503,041,762	172,522,176	675,563,938	862,768,344	69,650,287	932,418,631	256,854,693	72.5%
2035	6.750%	1,500	106,460,687	-	71,684,983	11,095,071	34,754,540	561,476,935	181,148,285	742,625,220	905,719,135	71,036,114	976,755,250	234,130,030	76.0%
2036	6.750%	1,500	111,783,722	-	75,155,636	11,427,923	38,750,199	625,427,297	190,205,699	815,632,996	951,297,771	72,917,411	1,024,215,182	208,582,186	79.6%
2037	6.750%	1,500	117,372,908	-	79,536,205	11,770,761	43,096,068	694,589,308	199,715,984	894,305,292	999,293,611	74,935,316	1,074,228,927	179,923,635	83.3%
2038	6.750%	1,500	123,241,553	-	84,264,913	12,123,883	47,791,059	769,233,123	209,701,783	978,934,906	1,049,628,163	77,090,887	1,126,719,050	147,784,144	86.9%
2039	6.750%	1,500	129,403,631	-	89,128,663	12,487,600	52,861,059	849,881,549	220,186,872	1,070,068,421	1,102,395,850	79,288,403	1,181,684,253	111,615,832	90.6%
2040	6.750%	1,500	135,873,812	-	94,133,367	12,862,228	58,341,644	937,101,410	231,196,216	1,168,297,626	1,157,775,443	81,468,919	1,239,244,362	70,946,736	94.3%
2041	6.750%	1,500	142,667,503	-	99,305,647	13,248,095	64,270,685	1,031,485,856	242,756,027	1,274,241,883	1,215,814,198	84,033,823	1,299,848,020	25,606,137	98.0%
2042	6.750%	1,500	149,800,878	-	104,593,742	13,645,538	70,690,499	1,133,737,953	254,893,828	1,388,631,781	1,276,666,213	87,030,544	1,363,696,757	(24,935,024)	101.8%
2043	6.750%	1,500	157,290,922	-	110,008,576	14,054,904	77,648,738	1,244,614,133	267,638,519	1,512,252,652	1,340,526,317	90,299,322	1,430,825,638	(81,427,014)	105.7%
2044	6.750%	1,500	165,155,468	-	115,644,142	14,476,551	85,193,878	1,364,842,786	281,020,445	1,645,863,231	1,407,552,105	93,668,753	1,500,220,858	(144,642,373)	109.6%
2045	6.750%	1,500	173,413,242	-	121,467,089	14,910,848	93,376,830	1,495,254,921	295,071,468	1,790,326,389	1,477,950,289	97,037,091	1,574,987,380	(215,339,009)	113.7%
2046	6.750%	1,500	182,083,904	-	127,574,755	15,358,173	102,251,053	1,636,656,950	309,825,041	1,946,481,991	1,551,864,600	100,291,998	1,652,156,598	(294,325,393)	117.8%
2047	6.750%	1,500	191,188,099	-	133,978,666	15,818,918	111,871,274	1,789,918,739	325,316,293	2,115,235,032	1,629,466,693	103,386,438	1,732,853,131	(382,381,901)	122.1%
2048	6.750%	1,500	200,747,504	-	140,691,621	16,293,486	122,296,496	1,955,977,632	341,582,108	2,297,559,740	1,710,944,312	106,346,301	1,817,290,613	(480,269,127)	126.4%
2049	6.750%	1,500	210,784,879	-	147,734,033	16,782,290	133,590,054	2,135,836,242	358,661,213	2,494,497,455	1,796,493,410	109,230,577	1,905,723,987	(588,773,468)	130.9%
2050	6.750%	1,500	221,324,123	-	155,124,712	17,285,759	145,819,782	2,330,569,676	376,594,274	2,707,163,950	1,886,318,847	112,116,107	1,998,434,954	(708,728,996)	135.5%
2051	6.750%	1,500	232,390,329	-	162,882,892	17,804,332	159,058,433	2,541,331,214	395,423,987	2,936,755,201	1,980,635,045	115,088,439	2,095,723,484	(841,031,717)	140.1%
2052	6.750%	1,500	244,009,845	-	171,027,944	18,338,462	173,384,073	2,769,358,726	415,195,187	3,184,553,913	2,079,666,856	118,215,138	2,197,881,994	(986,671,919)	144.9%
2053	6.750%	1,500	256,210,338	-	179,579,742	18,888,616	188,880,506	3,015,981,212	435,954,946	3,451,936,158	2,183,650,198	121,551,041	2,305,201,239	(1,146,734,919)	149.7%

Open Group Projections

Scenario 5 — Continuing Business Scenario

Projection Based on Data as of June 30, 2016

6.75% Assumed Net Investment Return

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

2,500 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets							Liabilities					
			Contributions	Additional Required Solvency Contributions	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses	Unfunded Liability	Funded Ratio
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 51,206,641	\$ 1,017,411,839	\$ 1,230,800,269	\$ 50,926,306	\$ 1,281,726,575	\$ 264,314,736	79.4%
2017	6.750%	2,500	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	71,640,953	956,213,434	1,202,263,071	57,868,246	1,260,131,317	303,917,883	75.9%
2018	6.750%	2,500	54,234,263	-	153,397,046	6,712,700	56,135,345	834,832,342	92,314,203	927,146,545	1,172,794,234	54,428,997	1,227,223,231	300,076,686	75.5%
2019	6.750%	2,500	61,924,090	-	155,678,110	6,914,082	52,953,635	787,117,876	110,255,214	897,373,090	1,141,372,860	50,537,238	1,191,910,098	294,537,008	75.3%
2020	6.750%	2,500	69,572,355	-	158,275,074	7,121,503	49,896,389	741,190,043	125,471,523	866,661,566	1,107,660,436	46,155,814	1,153,816,250	287,154,684	75.1%
2021	6.750%	2,500	77,836,401	-	151,943,814	7,335,149	47,281,641	707,029,122	137,307,724	844,336,846	1,079,443,245	41,562,116	1,121,005,361	276,668,515	75.3%
2022	6.750%	2,500	87,852,605	-	142,485,780	7,555,203	45,625,608	690,466,352	148,075,389	838,541,741	1,061,526,049	36,465,883	1,097,991,932	259,450,191	76.4%
2023	6.750%	2,500	93,513,013	-	140,610,926	7,781,859	44,754,286	680,340,866	158,859,258	839,200,124	1,046,132,526	42,132,430	1,088,264,956	249,064,832	77.1%
2024	6.750%	2,500	99,149,175	-	135,785,024	8,015,315	44,416,032	680,105,734	169,753,020	849,858,754	1,035,870,262	47,965,388	1,083,835,650	233,976,896	78.4%
2025	6.750%	2,500	105,029,369	-	131,400,030	8,255,775	44,738,495	690,217,793	180,783,360	871,001,153	1,031,094,374	53,660,981	1,084,755,355	213,754,202	80.3%
2026	6.750%	2,500	111,389,581	-	123,101,321	8,503,448	45,907,438	715,910,043	191,804,056	907,714,099	1,036,632,307	58,347,101	1,094,979,408	187,265,309	82.9%
2027	6.750%	2,500	117,924,448	-	119,204,149	8,758,551	47,985,137	753,856,928	202,773,727	956,630,655	1,049,052,665	62,567,016	1,111,619,682	154,989,027	86.1%
2028	6.750%	2,500	124,473,444	-	110,771,074	9,021,308	51,043,328	809,581,318	213,876,805	1,023,458,123	1,074,169,001	65,368,762	1,139,537,763	116,079,640	89.8%
2029	6.750%	2,500	131,276,412	-	104,823,382	9,291,947	55,225,926	881,968,327	225,140,442	1,107,108,769	1,110,296,136	67,074,017	1,177,370,152	70,261,383	94.0%
2030	6.750%	2,500	138,332,652	-	100,290,003	9,570,705	60,493,790	970,934,660	236,585,751	1,207,519,811	1,156,749,639	68,018,854	1,224,768,493	17,248,682	98.6%
2031	6.750%	2,500	145,656,734	-	98,803,714	9,857,827	66,786,637	1,074,715,890	248,385,237	1,323,101,127	1,212,583,956	68,355,815	1,280,939,772	(42,161,355)	103.3%
2032	6.750%	2,500	153,274,574	-	99,027,317	10,153,561	74,031,485	1,192,841,070	260,804,499	1,453,645,569	1,276,169,848	68,590,008	1,344,759,855	(108,885,714)	108.1%
2033	6.750%	2,500	160,938,303	-	102,147,968	10,458,169	82,147,983	1,323,321,219	273,844,724	1,597,165,943	1,345,795,632	68,970,394	1,414,766,026	(182,399,917)	112.9%
2034	6.750%	2,500	168,985,218	-	106,750,404	10,771,914	91,061,055	1,465,845,175	287,536,960	1,753,382,135	1,420,449,861	69,650,287	1,490,100,148	(263,281,987)	117.7%
2035	6.750%	2,500	177,434,479	-	112,454,262	11,095,071	100,763,173	1,620,493,494	301,913,808	1,922,407,302	1,498,107,230	71,036,114	1,569,143,345	(353,263,957)	122.5%
2036	6.750%	2,500	186,306,203	-	120,473,840	11,427,923	111,219,461	1,786,117,395	317,009,498	2,103,126,893	1,578,244,887	72,917,411	1,651,162,298	(451,964,595)	127.4%
2037	6.750%	2,500	195,621,513	-	129,388,425	11,770,761	122,401,028	1,962,980,751	332,859,973	2,295,840,724	1,661,025,706	74,935,316	1,735,961,022	(559,879,702)	132.3%
2038	6.750%	2,500	205,402,589	-	138,386,184	12,123,883	134,353,823	2,152,227,095	349,502,972	2,501,730,067	1,746,738,902	77,090,887	1,823,829,789	(677,900,278)	137.2%
2039	6.750%	2,500	215,672,718	-	147,289,355	12,487,600	147,161,811	2,355,284,668	366,978,120	2,722,262,788	1,835,806,947	79,288,403	1,915,095,350	(807,167,438)	142.1%
2040	6.750%	2,500	226,456,354	-	156,171,830	12,862,228	160,919,718	2,573,626,682	385,327,026	2,958,953,708	1,928,744,628	81,468,919	2,010,213,547	(948,740,161)	147.2%
2041	6.750%	2,500	237,779,172	-	165,079,807	13,248,095	175,726,281	2,808,804,233	404,593,378	3,213,397,611	2,025,860,277	84,033,823	2,109,894,099	(1,103,503,512)	152.3%
2042	6.750%	2,500	249,668,130	-	174,062,153	13,645,538	191,685,451	3,062,450,123	424,823,047	3,487,273,170	2,127,516,182	87,030,544	2,214,546,726	(1,272,726,444)	157.5%
2043	6.750%	2,500	262,151,537	-	183,204,490	14,054,904	208,905,493	3,336,247,759	446,064,199	3,782,311,958	2,234,079,970	90,299,322	2,324,379,291	(1,457,932,667)	162.7%
2044	6.750%	2,500	275,259,113	-	192,655,445	14,476,551	227,496,014	3,631,870,890	468,367,409	4,100,238,299	2,345,868,412	93,668,753	2,439,537,165	(1,660,701,134)	168.1%
2045	6.750%	2,500	289,022,069	-	202,413,252	14,910,848	247,571,092	3,951,139,951	491,785,779	4,442,925,730	2,463,228,180	97,037,091	2,560,265,271	(1,882,660,459)	173.5%
2046	6.750%	2,500	303,473,173	-	212,611,721	15,358,173	269,250,182	4,295,893,412	516,375,068	4,812,268,480	2,586,430,491	100,291,998	2,686,722,489	(2,125,545,991)	179.1%
2047	6.750%	2,500	318,646,831	-	223,291,436	15,818,918	292,657,161	4,668,087,050	542,193,822	5,210,280,872	2,715,773,154	103,386,438	2,819,159,592	(2,391,121,280)	184.8%
2048	6.750%	2,500	334,579,173	-	234,483,056	16,293,486	317,924,215	5,069,813,896	569,303,513	5,639,117,409	2,851,571,951	106,346,301	2,957,918,252	(2,681,199,157)	190.6%
2049	6.750%	2,500	351,308,131	-	246,222,056	16,782,290	345,192,691	5,503,310,372	597,768,688	6,101,079,060	2,994,155,028	109,230,577	3,103,385,605	(2,997,693,455)	196.6%
2050	6.750%	2,500	368,873,538	-	258,540,671	17,285,759	374,613,790	5,970,971,270	627,657,123	6,598,628,393	3,143,864,580	112,116,107	3,255,980,687	(3,342,647,706)	202.7%
2051	6.750%	2,500	387,317,215	-	271,471,331	17,804,332	406,349,463	6,475,362,285	659,039,979	7,134,402,264	3,301,058,393	115,088,439	3,416,146,832	(3,718,255,432)	208.8%
2052	6.750%	2,500	406,683,076	-	285,046,556	18,338,462	440,573,264	7,019,233,607	691,991,978	7,711,225,585	3,466,111,426	118,215,138	3,584,326,564	(4,126,899,021)	215.1%
2053	6.750%	2,500	427,017,229	-	299,299,570	18,888,616	477,471,249	7,605,533,899	726,591,577	8,332,125,476	3,639,416,997	121,551,041	3,760,968,038	(4,571,157,438)	221.5%

Open Group Projections

Scenario 6 — Continuing Business Scenario

Projection Based on Data as of June 30, 2016

6.75% Assumed Net Investment Return

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

5% Annual Sales Growth from 500 Contracts Sold in FY 2017 to 2,500 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets							Liabilities					
			Contributions	Additional Required Solvency Contributions ^a	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses	Unfunded Liability	Funded Ratio
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 51,206,641	\$ 1,017,411,839	\$ 1,230,800,269	\$ 50,926,306	\$ 1,281,726,575	\$ 264,314,736	79.4%
2017	6.750%	500	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	44,972,990	929,545,471	1,165,792,164	57,868,246	1,223,660,410	294,114,939	76.0%
2018	6.750%	525	19,733,005	-	153,397,046	6,712,700	54,970,927	799,166,666	42,345,018	841,511,684	1,096,045,767	54,428,997	1,150,474,764	308,963,080	73.1%
2019	6.750%	551	20,198,008	-	155,678,110	6,914,082	49,137,946	705,910,429	40,613,240	746,523,669	1,020,265,056	50,537,238	1,070,802,294	324,278,625	69.7%
2020	6.750%	579	20,558,056	-	158,275,074	7,121,503	42,760,654	603,832,562	40,097,506	643,930,068	937,821,939	46,155,814	983,977,753	340,047,685	65.4%
2021	6.750%	608	21,445,410	-	151,943,814	7,335,149	36,106,816	502,105,825	40,503,127	542,608,952	857,325,901	41,562,116	898,888,017	356,279,065	60.4%
2022	6.750%	638	23,978,007	-	141,394,522	7,555,203	29,674,348	406,808,455	41,213,109	448,021,564	783,594,271	36,465,883	820,060,154	372,038,590	54.6%
2023	6.750%	670	25,264,395	-	138,180,993	7,781,859	23,385,998	309,495,996	43,078,659	352,574,655	709,485,775	42,132,430	751,618,205	399,043,550	46.9%
2024	6.750%	704	26,847,218	-	131,173,690	8,015,315	17,099,444	214,253,653	46,083,400	260,337,053	638,885,564	47,965,388	686,850,952	426,513,899	37.9%
2025	6.750%	739	28,872,528	-	123,191,525	8,255,775	11,000,223	122,679,104	50,120,762	172,799,866	573,248,932	53,660,981	626,909,913	454,110,047	27.6%
2026	6.750%	776	31,605,988	-	110,143,463	8,503,448	5,343,208	40,981,389	54,841,664	95,823,053	518,363,108	58,347,101	576,710,209	480,887,156	16.6%
2027	6.750%	814	34,817,428	32,183,962	100,562,193	8,758,551	1,337,966	1	60,099,782	60,099,783	471,609,536	62,567,016	534,176,553	474,076,770	11.3%
2028	6.750%	855	38,257,188	56,490,375	85,726,256	9,021,308	-	-	66,038,902	66,038,902	439,272,554	65,368,762	504,641,316	438,602,414	13.1%
2029	6.750%	898	42,117,541	40,228,106	73,053,700	9,291,947	-	-	72,662,661	72,662,661	420,293,785	67,074,017	487,367,801	414,705,140	14.9%
2030	6.750%	943	46,403,017	24,535,213	61,367,524	9,570,705	-	-	80,005,931	80,005,931	414,781,690	68,018,854	482,800,544	402,794,613	16.6%
2031	6.750%	990	51,118,299	10,936,459	52,196,931	9,857,827	-	-	88,175,247	88,175,247	421,589,310	68,355,815	489,945,126	401,769,879	18.0%
2032	6.750%	1,039	56,398,753	-	45,237,238	10,153,561	34,018	1,041,971	97,213,210	98,255,181	439,447,389	68,590,008	508,037,396	409,782,215	19.3%
2033	6.750%	1,091	62,179,625	-	41,139,839	10,458,169	427,463	12,051,051	107,177,564	119,228,615	439,447,389	68,590,008	508,037,396	409,782,215	19.3%
2034	6.750%	1,146	68,553,037	-	38,925,141	10,771,914	1,449,835	32,356,869	118,163,264	150,520,133	502,105,284	69,650,287	571,755,571	421,235,438	26.3%
2035	6.750%	1,203	75,579,723	-	38,136,122	11,095,071	3,073,352	61,778,751	130,274,998	192,053,749	545,183,031	71,036,114	616,219,146	424,165,397	31.2%
2036	6.750%	1,263	83,326,645	-	38,868,137	11,427,923	5,284,848	100,094,184	143,628,186	243,722,370	595,517,662	72,917,411	668,435,073	424,712,703	36.5%
2037	6.750%	1,327	91,867,626	-	40,829,941	11,770,761	8,081,616	147,442,725	158,350,075	305,792,800	652,980,504	74,935,316	727,915,820	422,123,020	42.0%
2038	6.750%	1,393	101,284,057	-	43,740,678	12,123,883	11,485,292	204,347,512	174,580,957	378,928,469	717,637,325	77,090,887	794,728,212	415,799,743	47.7%
2039	6.750%	1,463	111,665,673	-	47,379,387	12,487,600	15,541,663	271,687,860	192,475,506	464,163,366	789,828,599	79,288,403	869,117,002	404,953,636	53.4%
2040	6.750%	1,536	123,111,405	-	51,715,209	12,862,228	20,314,452	350,536,280	212,204,245	562,740,525	870,038,641	81,468,919	951,507,560	388,767,035	59.1%
2041	6.750%	1,613	135,730,324	-	56,791,383	13,248,095	25,878,265	442,105,391	233,955,180	676,060,571	958,769,761	84,033,823	1,042,803,583	366,743,012	64.8%
2042	6.750%	1,693	149,642,682	-	62,495,939	13,645,538	32,322,780	547,929,376	257,935,586	805,864,962	1,056,764,264	87,030,544	1,143,794,808	337,929,846	70.5%
2043	6.750%	1,778	164,981,057	-	68,812,301	14,054,904	39,756,575	669,799,803	284,373,984	954,173,787	1,164,927,668	90,299,322	1,255,226,989	301,053,202	76.0%
2044	6.750%	1,867	181,891,615	-	75,833,835	14,476,551	48,302,353	809,683,385	313,522,317	1,123,205,702	1,284,236,974	93,668,753	1,377,905,727	254,700,025	81.5%
2045	6.750%	1,960	200,535,506	-	83,556,570	14,910,848	58,098,426	969,849,899	345,658,354	1,315,508,253	1,415,841,997	97,037,091	1,512,879,088	197,370,835	87.0%
2046	6.750%	2,058	221,090,395	-	92,109,424	15,358,173	69,299,638	1,152,772,335	381,088,336	1,533,860,671	1,560,956,736	100,291,998	1,661,248,734	127,388,063	92.3%
2047	6.750%	2,161	243,752,161	-	101,550,842	15,818,918	82,077,539	1,361,232,275	420,149,890	1,781,382,165	1,720,950,562	103,386,438	1,824,337,000	42,954,835	97.6%
2048	6.750%	2,269	268,736,757	-	111,960,302	16,293,486	96,624,479	1,598,339,723	463,215,254	2,061,554,977	1,897,346,058	106,346,301	2,003,692,359	(57,862,618)	102.9%
2049	6.750%	2,382	296,282,275	-	123,436,812	16,782,290	113,155,063	1,867,557,959	510,694,817	2,378,252,776	2,091,823,163	109,230,577	2,201,053,740	(177,199,036)	108.1%
2050	6.750%	2,500	326,651,208	-	136,089,423	17,285,759	131,908,228	2,172,742,213	562,934,678	2,735,676,891	2,366,089,264	112,116,107	2,418,205,371	(317,471,520)	113.1%
2051	6.750%	2,500	359,995,358	-	150,038,809	17,804,332	153,145,237	2,518,039,667	611,790,469	3,129,830,136	2,530,333,409	115,088,439	2,645,421,848	(484,408,288)	118.3%
2052	6.750%	2,500	385,543,197	-	165,417,931	18,338,462	176,777,982	2,896,604,453	657,906,272	3,554,510,725	2,764,170,515	118,215,138	2,882,385,653	(672,125,072)	123.3%
2053	6.750%	2,500	411,189,545	-	182,373,384	18,888,616	202,605,855	3,309,137,853	702,079,498	4,011,217,351	3,007,051,133	121,551,041	3,128,602,174	(882,615,177)	128.2%

^a Additional contributions in the amount of \$164,374,115 are needed over the years 2027 through 2031 to pay all benefits due.

Open Group Projections

Scenario 7— Continuing Business Scenario

Projection Based on Data as of June 30, 2016

6.75% Assumed Net Investment Return

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

10% Annual Sales Growth from 500 Contracts Sold in FY 2017 to 2,500 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets								Liabilities					Unfunded Liability	Funded Ratio
			Contributions	Additional Required Solvency Contributions ^a	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses				
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 51,206,641	\$ 1,017,411,839	\$ 1,230,800,269	\$ 50,926,306	\$ 1,281,726,575	\$ 264,314,736	79.4%		
2017	6.750%	500	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	44,972,990	929,545,471	1,165,792,164	57,868,246	1,223,660,410	294,114,939	76.0%		
2018	6.750%	550	19,733,005	-	153,397,046	6,712,700	54,970,927	799,166,666	42,695,035	841,861,701	1,096,524,448	54,428,997	1,150,953,445	309,091,744	73.1%		
2019	6.750%	605	20,650,837	-	155,678,110	6,914,082	49,153,229	706,378,541	41,696,325	748,074,866	1,021,856,670	50,537,238	1,072,393,908	324,319,042	69.8%		
2020	6.750%	666	21,658,446	-	158,275,074	7,121,503	42,829,390	605,469,800	42,331,186	647,800,986	941,350,944	46,155,814	987,506,758	339,705,772	65.6%		
2021	6.750%	732	23,428,765	-	151,943,814	7,335,149	36,284,267	505,903,869	44,340,150	550,244,019	863,848,191	41,562,116	905,410,307	355,166,288	60.8%		
2022	6.750%	805	27,128,213	-	141,394,522	7,555,203	30,037,035	414,119,392	47,141,350	461,260,742	794,431,363	36,465,883	830,897,246	369,636,504	55.5%		
2023	6.750%	886	29,922,901	-	138,195,315	7,781,859	24,036,227	322,101,346	51,663,764	373,765,110	726,275,270	42,132,430	768,407,700	394,642,590	48.6%		
2024	6.750%	974	33,381,241	-	131,223,066	8,015,315	18,169,162	234,413,368	57,985,064	292,398,432	663,632,351	47,965,388	711,597,739	419,199,307	41.1%		
2025	6.750%	1,072	37,714,554	-	123,312,219	8,255,775	12,655,349	153,215,277	66,110,230	219,325,507	608,376,565	53,660,981	662,037,546	442,712,039	33.1%		
2026	6.750%	1,179	43,266,664	-	110,398,078	8,503,448	7,789,355	85,369,770	75,822,521	161,192,291	566,775,671	58,347,101	625,122,772	463,930,481	25.8%		
2027	6.750%	1,297	49,898,710	-	101,041,757	8,758,551	3,740,781	29,208,953	87,133,199	116,342,152	536,765,311	62,567,016	599,332,328	482,990,176	19.4%		
2028	6.750%	1,427	57,467,057	7,944,863	86,553,182	9,021,308	953,618	1	100,371,920	100,371,920	525,271,572	65,368,762	590,640,334	490,268,413	17.0%		
2029	6.750%	1,569	66,289,282	17,387,867	74,385,203	9,291,947	-	-	115,760,391	115,760,391	531,984,163	67,074,017	599,058,179	483,297,788	19.3%		
2030	6.750%	1,726	76,517,201	-	63,397,162	9,570,705	119,790	3,669,123	133,588,893	137,258,016	557,881,503	68,018,854	625,900,357	488,642,341	21.9%		
2031	6.750%	1,899	88,327,753	-	55,162,806	9,857,827	1,034,281	28,010,524	154,262,389	182,272,913	602,826,269	68,355,815	671,182,085	488,909,172	27.2%		
2032	6.750%	2,089	102,057,844	-	49,431,658	10,153,561	3,324,161	73,807,309	178,173,059	251,980,368	685,900,008	66,734,302	735,324,309	483,343,941	34.3%		
2033	6.750%	2,297	117,876,809	-	46,905,820	10,458,169	7,024,301	141,344,430	205,789,884	347,134,314	749,234,675	68,970,394	818,205,069	471,070,755	42.4%		
2034	6.750%	2,500	136,147,715	-	46,672,252	10,771,914	12,196,994	232,244,974	236,854,962	469,099,936	849,857,001	69,650,287	919,507,288	450,407,352	51.0%		
2035	6.750%	2,500	156,173,767	-	48,346,606	11,095,071	18,941,244	347,918,308	264,848,449	612,766,757	959,632,267	71,036,114	1,030,668,382	417,901,625	59.5%		
2036	6.750%	2,500	169,815,986	-	52,110,513	11,427,923	27,071,353	481,267,211	290,205,336	771,472,547	1,077,399,726	72,917,411	1,150,317,137	378,844,590	67.1%		
2037	6.750%	2,500	183,268,511	-	57,788,599	11,770,761	36,323,221	631,299,584	313,509,169	944,808,753	1,201,966,951	74,935,316	1,276,902,267	332,093,514	74.0%		
2038	6.750%	2,500	196,437,578	-	65,221,711	12,123,883	46,632,076	797,023,643	335,531,343	1,132,554,986	1,332,116,072	77,090,887	1,409,206,959	276,651,973	80.4%		
2039	6.750%	2,500	209,202,179	-	74,290,448	12,487,600	57,930,910	977,378,683	357,172,056	1,334,550,739	1,466,920,814	79,288,403	1,546,209,217	211,658,478	86.3%		
2040	6.750%	2,500	221,511,856	-	84,816,996	12,862,228	70,152,412	1,171,363,727	378,683,210	1,550,046,937	1,605,420,679	81,468,919	1,686,889,598	136,842,661	91.9%		
2041	6.750%	2,500	234,077,893	-	96,881,905	13,248,095	83,250,293	1,378,561,913	400,284,313	1,778,846,226	1,746,653,429	84,033,823	1,830,687,251	51,841,025	97.2%		
2042	6.750%	2,500	246,974,352	-	110,239,527	13,645,538	97,207,193	1,598,858,393	422,188,336	2,021,046,729	1,890,039,820	87,030,544	1,977,070,364	(43,976,365)	102.2%		
2043	6.750%	2,500	260,249,467	-	124,574,010	14,054,904	112,027,635	1,832,506,581	444,591,078	2,277,097,659	2,035,278,907	90,299,322	2,125,578,228	(151,519,431)	107.1%		
2044	6.750%	2,500	273,962,719	-	139,708,280	14,476,551	127,736,698	2,080,021,167	467,651,407	2,547,672,574	2,182,233,797	93,668,753	2,275,902,550	(271,770,024)	111.9%		
2045	6.750%	2,500	288,193,038	-	155,388,891	14,910,848	144,380,328	2,342,294,794	491,511,916	2,833,806,710	2,330,999,371	97,037,091	2,428,036,462	(405,770,248)	116.7%		
2046	6.750%	2,500	302,998,463	-	171,524,625	15,358,173	162,023,802	2,620,434,261	516,312,465	3,136,746,726	2,481,717,463	100,291,998	2,582,009,461	(554,737,265)	121.5%		
2047	6.750%	2,500	318,424,468	-	188,021,146	15,818,918	180,746,536	2,915,765,201	542,193,822	3,457,959,023	2,634,713,058	103,386,438	2,738,099,496	(719,859,527)	126.3%		
2048	6.750%	2,500	334,514,491	-	204,749,128	16,293,486	200,643,827	3,229,880,905	569,303,513	3,799,184,418	2,790,511,521	106,346,301	2,896,857,822	(902,326,596)	131.1%		
2049	6.750%	2,500	351,308,131	-	221,569,279	16,782,290	221,829,245	3,564,666,712	597,768,688	4,162,435,400	2,949,603,001	109,230,577	3,058,833,578	(1,103,601,822)	136.1%		
2050	6.750%	2,500	368,873,538	-	238,573,575	17,285,759	244,429,232	3,922,110,148	627,657,123	4,549,767,271	3,112,564,956	112,116,107	3,224,681,063	(1,325,086,208)	141.1%		
2051	6.750%	2,500	387,317,215	-	255,734,124	17,804,332	268,582,468	4,304,471,375	659,039,979	4,963,511,354	3,279,962,146	115,088,439	3,395,050,585	(1,568,460,769)	146.2%		
2052	6.750%	2,500	406,683,076	-	273,126,197	18,338,462	294,440,439	4,714,130,231	691,991,978	5,406,122,209	3,452,398,628	118,215,138	3,570,613,766	(1,835,508,443)	151.4%		
2053	6.750%	2,500	427,017,229	-	290,775,127	18,888,616	322,164,471	5,153,648,188	726,591,577	5,880,239,765	3,630,798,922	121,551,041	3,752,349,963	(2,127,889,802)	156.7%		

^a Additional contributions in the amount of \$25,332,730 are needed over the years 2028 through 2029 to pay all benefits due.

Open Group Projections

Scenario 8 — Continuing Business Scenario

Projection Based on Data as of June 30, 2016

6.75% Assumed Net Investment Return

Other Assumptions Based on Those Used in Actuarial Valuation as of June 30, 2016

15% Annual Sales Growth from 500 Contracts Sold in FY 2017 to 2,500 New Contracts Per Year

Year Ending 6/30	Assumed Net Rate of Return	Annual New Contracts	Assets							Liabilities					
			Contributions	Additional Required Solvency	Tuition Payments, Refunds, and Fees	Administrative Expenses	Net Investment Return	Market Value of Assets (EOY)	Total Present Value of Future Contributions	Total Fund Assets (MVA + PVFC)	Total Present Value of Future Benefits	Present Value of Future Admin Expenses	Total Present Value of Future Benefits, Fees, and Expenses	Unfunded Liability	Funded Ratio
2016			\$ 26,712,224	\$ -	\$ 138,801,080	\$ 6,327,364	\$ 59,235,986	\$ 966,205,198	\$ 51,206,641	\$ 1,017,411,839	\$ 1,230,800,269	\$ 50,926,306	\$ 1,281,726,575	\$ 264,314,736	79.4%
2017	6.750%	500	15,831,501	-	152,153,518	5,735,123	60,424,422	884,572,481	44,972,990	929,545,471	1,165,792,164	57,868,246	1,223,660,410	294,114,939	76.0%
2018	6.750%	575	19,733,005	-	153,397,046	6,712,700	54,970,927	799,166,666	43,045,052	842,211,718	1,097,003,129	54,428,997	1,151,432,126	309,220,408	73.1%
2019	6.750%	661	21,103,666	-	155,678,110	6,914,082	49,168,512	706,846,653	42,816,162	749,662,815	1,023,498,544	50,537,238	1,074,035,782	324,372,967	69.8%
2020	6.750%	760	22,806,382	-	158,275,074	7,121,503	42,899,730	607,156,188	44,722,968	651,879,156	945,107,758	46,155,814	991,263,572	339,384,416	65.8%
2021	6.750%	875	25,585,074	-	151,943,814	7,335,149	36,470,874	509,933,173	48,602,618	558,535,791	871,016,108	41,562,116	912,578,224	354,042,433	61.2%
2022	6.750%	1,006	30,695,513	-	141,394,522	7,555,203	30,429,410	422,108,371	53,986,202	476,094,573	806,732,889	36,465,883	843,198,772	367,104,199	56.5%
2023	6.750%	1,157	35,415,820	-	138,209,638	7,781,859	24,760,386	336,293,080	61,978,144	398,271,224	745,970,964	42,132,430	788,103,394	389,832,170	50.5%
2024	6.750%	1,330	41,411,961	-	131,273,945	8,015,315	19,396,424	257,812,205	72,876,262	330,688,467	693,651,270	47,965,388	741,616,658	410,928,191	44.6%
2025	6.750%	1,530	49,049,913	-	123,439,913	8,255,775	14,613,029	189,779,459	86,959,234	276,738,693	652,468,710	53,660,981	706,129,691	429,390,998	39.2%
2026	6.750%	1,759	58,866,454	-	110,673,819	8,503,448	10,774,624	140,243,270	104,350,162	244,593,432	629,701,284	58,347,101	688,048,385	443,454,953	35.5%
2027	6.750%	2,023	70,960,841	-	101,573,565	8,758,551	8,137,640	109,009,635	125,482,348	234,491,983	624,528,913	62,567,016	687,095,930	452,603,947	34.1%
2028	6.750%	2,326	85,482,337	-	87,493,547	9,021,308	6,985,803	104,962,920	151,207,194	256,170,114	645,410,897	65,368,762	710,779,659	454,609,545	36.0%
2029	6.750%	2,500	103,110,592	-	75,940,510	9,291,947	7,688,384	130,529,439	178,196,033	308,725,472	688,193,819	67,074,017	755,267,835	446,542,363	40.9%
2030	6.750%	2,500	119,018,461	-	65,836,852	9,570,705	10,282,605	184,422,947	202,109,466	386,532,413	747,449,053	68,018,854	815,467,907	428,935,494	47.4%
2031	6.750%	2,500	130,522,310	-	58,836,930	9,857,827	14,535,229	260,785,729	223,414,688	484,200,417	821,358,732	68,355,815	889,714,548	405,514,131	54.4%
2032	6.750%	2,500	141,821,904	-	54,792,706	10,153,561	20,197,589	357,858,954	242,699,902	600,558,856	907,745,137	68,590,008	976,335,144	375,776,288	61.5%
2033	6.750%	2,500	152,661,616	-	54,520,918	10,458,169	27,114,765	472,656,248	260,815,589	733,471,837	1,003,815,462	68,970,394	1,072,785,856	339,314,019	68.4%
2034	6.750%	2,500	162,890,049	-	57,086,000	10,771,914	35,111,631	602,800,015	278,435,754	881,235,769	1,107,514,803	69,650,287	1,177,165,090	295,929,321	74.9%
2035	6.750%	2,500	172,781,555	-	62,000,499	11,095,071	44,053,403	746,539,403	295,786,432	1,042,325,835	1,216,829,202	71,036,114	1,287,865,317	245,539,482	80.9%
2036	6.750%	2,500	182,833,337	-	69,389,633	11,427,923	53,834,442	902,389,626	313,072,383	1,215,462,009	1,330,222,292	72,917,411	1,403,139,703	187,677,694	86.6%
2037	6.750%	2,500	193,101,322	-	78,825,363	11,770,761	64,370,850	1,069,265,675	330,490,703	1,399,756,378	1,446,497,116	74,935,316	1,521,432,432	121,676,054	92.0%
2038	6.750%	2,500	203,627,905	-	89,764,830	12,123,883	75,609,131	1,246,613,997	348,212,392	1,594,826,389	1,564,794,176	77,090,887	1,641,885,063	47,058,674	97.1%
2039	6.750%	2,500	214,473,901	-	101,737,097	12,487,600	87,529,855	1,434,393,055	366,377,318	1,800,770,373	1,684,655,073	79,288,403	1,763,943,476	(36,826,897)	102.1%
2040	6.750%	2,500	225,704,426	-	114,481,774	12,862,228	100,141,196	1,632,894,675	385,114,225	2,018,008,900	1,805,837,568	81,468,919	1,887,306,487	(130,702,413)	106.9%
2041	6.750%	2,500	237,364,387	-	127,867,646	13,248,095	113,468,782	1,842,612,103	404,551,280	2,247,163,383	1,928,167,589	84,033,823	2,012,201,411	(234,961,972)	111.7%
2042	6.750%	2,500	249,489,009	-	141,628,322	13,645,538	127,556,078	2,064,383,330	424,823,047	2,489,206,377	2,051,825,268	87,030,544	2,138,855,812	(350,350,565)	116.4%
2043	6.750%	2,500	262,108,042	-	155,527,312	14,054,904	142,468,621	2,299,377,777	446,064,199	2,745,441,976	2,177,166,718	90,299,322	2,267,466,039	(477,975,937)	121.1%
2044	6.750%	2,500	275,259,113	-	169,536,180	14,476,551	158,287,565	2,548,911,724	468,367,409	3,017,279,133	2,304,535,108	93,668,753	2,398,203,861	(619,075,272)	125.8%
2045	6.750%	2,500	289,022,069	-	183,615,717	14,910,848	175,105,765	2,814,512,993	491,785,779	3,306,298,772	2,434,386,115	97,037,091	2,531,423,206	(774,875,566)	130.6%
2046	6.750%	2,500	303,473,173	-	197,821,503	15,358,173	193,027,033	3,097,833,523	516,375,068	3,614,208,591	2,567,106,431	100,291,998	2,667,398,429	(946,810,162)	135.5%
2047	6.750%	2,500	318,646,831	-	212,194,982	15,818,918	212,162,624	3,400,629,078	542,193,822	3,942,822,900	2,703,282,570	103,386,438	2,806,669,008	(1,136,153,892)	140.5%
2048	6.750%	2,500	334,579,173	-	226,606,693	16,293,486	232,636,629	3,724,944,701	569,303,513	4,294,248,214	2,843,768,986	106,346,301	2,950,115,287	(1,344,132,927)	145.6%
2049	6.750%	2,500	351,308,131	-	240,869,037	16,782,290	254,594,684	4,073,196,189	597,768,688	4,670,964,877	2,989,442,896	109,230,577	3,098,673,473	(1,572,291,404)	150.7%
2050	6.750%	2,500	368,873,538	-	255,039,377	17,285,759	278,199,251	4,447,943,842	627,657,123	5,075,600,965	3,141,108,072	112,116,107	3,253,224,179	(1,822,376,786)	156.0%
2051	6.750%	2,500	387,317,215	-	269,270,697	17,804,332	303,619,383	4,851,805,411	659,039,979	5,510,845,390	3,299,493,641	115,088,439	3,414,582,080	(2,096,263,310)	161.4%
2052	6.750%	2,500	406,683,076	-	283,713,008	18,338,462	331,028,182	5,287,465,199	691,991,978	5,979,457,177	3,465,250,939	118,215,138	3,583,466,077	(2,395,991,100)	166.9%
2053	6.750%	2,500	427,017,229	-	298,515,707	18,888,616	360,603,337	5,757,681,442	726,591,577	6,484,273,019	3,638,957,798	121,551,041	3,760,508,839	(2,723,764,180)	172.4%

SECTION D

ACTUARIAL METHODS & ASSUMPTIONS

ACTUARIAL VALUATION METHODS

Actuarial Value of Assets – The Actuarial Value of Assets is equal to the Market Value of Assets.

ACTUARIAL VALUATION ASSUMPTIONS

The actuarial assumptions used in the annual actuarial valuation are shown in this Section.

Measurement Date June 30, 2016

The net investment return rate 6.75 percent per annum, compounded annually. Includes inflation assumption of 3.00 percent. (Updated for the valuation as of June 30, 2016)

For certain projection scenarios where the Trust is completely exhausted, we have incorporated a “select and ultimate” approach to the investment return assumption (and also the related discount rate for the liabilities). Under this “select and ultimate” approach to the investment return assumption, we have assumed that the net investment return and discount rate grade down from 6.75% to 4.00% in yearly increments based on the number of years until the Trust is projected to run out of money to pay benefits.

Weighted Average Tuition and Fees (WATF) Based on the Freshman Blended Tuition Rate and Increases by Contract Type

	Contract Type			
	Choice 1	Choice 2	Choice 3	
	Community College	University	University Plus	Legacy†
2016-2017 Weighted Tuition	\$3,698	\$10,410	\$14,136	\$11,318
2016-2017 Weighted Fees	459	3,748	3,662	3,727
2016-2017 Total WATF	4,157	14,158	17,798	15,045

†*Legacy contracts refer to contracts sold prior to October 2008. These contracts can be used for full tuition and fees at any public University in the State of Illinois, including UIUC.*

For continuing students at public universities and students attending community colleges, fees are combined with tuition in our projections and follow their respective tuition inflation assumptions.

These assumptions were chosen by ISAC and consider historical Illinois public tuition and fee inflation, typically over a 20-year horizon, as well as current economic and political conditions.

	Contract Type			
	Choice 1	Choice 2	Choice 3	
	Community College	University	University Plus	Legacy†
2016-2017 Total WATF	\$4,157	\$14,158	\$17,798	\$15,045
2015-2016 Total WATF	3,980	13,770	17,726	14,687
WATF Increase	4.45%	2.82%	0.41%	2.44%

Tuition and Fee Increase Assumption

Tuition and Fee Increase Assumption - June 30, 2016, Actuarial Valuation				
Effective Date	Community College	University	University Plus	Legacy
6/30/2017 and Beyond	5.00%	5.00%	5.00%	5.00%

(Updated for the actuarial valuation as of June 30, 2016)

Truth in Tuition

We have segregated the beneficiaries into two categories, those beneficiaries that fall under the Truth in Tuition law and those that do not. The Truth in Tuition law does not apply to community colleges.

For Truth in Tuition beneficiaries, it was assumed that their tuition will not increase in their second, third and fourth year of school. If they attend school beyond four years, it was assumed that their tuition would increase to the amount charged the year after the year they first enrolled. For all other beneficiaries, it was assumed that tuition will rise for each year enrolled. It was assumed fees will rise for each year enrolled.

Administrative Expenses

Administrative expenses of the Program are assumed to be paid through a combination of investment earnings and fees assessed on purchasers. For purposes of the closed group projections, marketing expenses (assumed to be 12 percent of total administrative expenses) were excluded as it is assumed those costs should be applicable only to future contracts. Expenses are assumed to grow at the rate of the inflation assumption of 3.0 percent. Closed group administrative expenses are projected to increase by 3.0 percent for 7 years and then decline at the same rate the present value of benefits declines (combined with a 3.0 percent increase for inflation). The present value of future administrative expenses was determined to be equal to approximately 4.0 percent of the total liabilities.

Bias Load

“Legacy,” Choice 1 and Choice 2 contract beneficiaries were assumed on average to attend more expensive schools than indicated by the headcount information that was used to determine the 2016-2017 WATF. A load of 4.0 percent for “Legacy” contracts, 5.5 percent for Choice 1 contracts and 2.5 percent for Choice 2 contracts was added to the WATF assumption to recognize this bias toward enrollment at more expensive schools. No bias load was applied to the “University Plus” beneficiaries due to the separation of UIUC.

Mortality and Disability

No assumption is made for death or disability. Valuing the rate of incidence is expected to be immaterial.

Future Beneficiary Profile

The characteristics of future beneficiaries are assumed to be the same as the characteristics of 2016 new beneficiaries.

The Rates of Enrollment

These rates are used to measure the probability of eligible members matriculating at and beyond their projected college entrance date.

Years From Projected College Entrance Year	Matriculation Rate
0	70%
1	35%
2	40%
3	30%
4	20%
5	15%
6	15%
7	10%
8	10%
9	10%
10	0%

Rates of Cancellation

These rates are used to measure the probability of eligible members cancelling their contracts before and after projected college entrance date.

Years From Projected College Entrance Year	Cancellation Rate	Years From Projected College Entrance Year	Cancellation Rate
-17	8%	-3	1%
-16	7%	-2	1%
-15	6%	-1	1%
-14	4%	0	2%
-13	4%	1	2%
-12	3%	2	3%
-11	3%	3	3%
-10	3%	4	5%
-9	2%	5	5%
-8	2%	6	8%
-7	2%	7	8%
-6	2%	8	5%
-5	2%	9	5%
-4	1%	10	5%

In the event of a cancellation, it was assumed that a refund will be paid equal to the amount of contributions paid by the contract holder, increased by 2 percent for each subsequent year after purchase, for contracts sold prior to October 1, 2013.

Utilization of Benefits

Once they start matriculating, beneficiaries are assumed to use the benefits as described by the CIPTP Master Agreement according to the schedule below.

Distribution of Benefit Utilization									
Number of Years Since Matriculation	Number of Semesters Purchased								
	1	2	3	4	5	6	7	8	9
1	73%	73%	49%	37%	29%	24%	21%	18%	16%
2	20%	20%	28%	35%	26%	24%	21%	18%	16%
3	7%	7%	14%	17%	19%	22%	21%	18%	16%
4			5%	6%	13%	15%	21%	18%	16%
5			5%	6%	7%	9%	8%	13%	16%
6					3%	4%	3%	6%	8%
7					2%	2%	2%	4%	6%
8							1%	2%	4%
9							1%	2%	1%

Once a contract beneficiary has matriculated, and if the contract beneficiary has used credits within the past year, it is assumed that the contract beneficiary will utilize 22 credits per year until benefits are fully depleted.

If the contract beneficiary has matriculated, but the contract beneficiary has not used credits within the past year, the matriculation rates, cancellation rates and benefit utilization rates that apply to members that have not matriculated yet are assumed. (Updated for the valuation as of June 30, 2016)

SECTION E
PLAN PROVISIONS

PLAN PROVISIONS

(This is a summary only; the full terms and conditions of the College Illinois!® Prepaid Tuition Program are included in the Illinois Prepaid Tuition Act, 110 ILCS 979 (the “Act”) and ISAC Administrative Rules (23 Ill. Adm. Code 2775, et. seq.) (“ISAC Rules”).

A. Type of Contract

Three types of contracts are available for purchase: Choice 1 - Community College, Choice 2 – University and Choice 3 – University Plus.

B. Benefit

Covered benefits include tuition and mandatory fees at an Illinois public university or community college based on the in-state or in-district undergraduate rate for a full-time student.

Mandatory fees are fees that are required upon enrollment for all students attending the particular institution.

The benefit does not include any optional fees, expenses or cost of supplies.

Benefit shall never be less than payment amount.

C. Member Contributions

The Program offers a variety of payment options, including the following:

- Lump Sum;
- 5-year installment plans paid monthly or annually;
- Extended installment plans of 6 to 15 years, depending on age, paid monthly or annually; and
- Down payment options are available for monthly installment plans.

D. Private or Out-of-State Institutions

For beneficiaries attending a private or out-of-state institution, the plan will pay an amount based upon the weighted average tuition and mandatory fees at Illinois public universities or community colleges depending on the type of contract purchased.

PLAN PROVISIONS (CONTINUED)

- E. Scholarship*** If a qualified beneficiary is awarded a grant or scholarship that duplicates the benefits covered by a prepaid tuition contract, the purchaser may request a refund in semester installments.
- Illinois public university or community college – the installments will be in an amount equal to the current cost of in-state or in-district registration fees at that institution, less any benefits used to pay registration fees not covered by the scholarship and any applicable fees.
- Illinois Private Institution or an eligible Out-of-State Institution – the installments will be in an amount equal to the current average mean-weighted credit hour value of registration fees at Illinois public universities or Illinois community colleges, depending on the type of the purchased contract, less any benefits used to pay registration fees not covered by the scholarship and any applicable fees.
- F. Not Attending an Institution of Higher Education*** Benefits can be transferred to a member of the “family” as defined in Section 529 of the Internal Revenue Code.
- Purchasers can also choose to postpone the beneficiary’s use of contract benefits to a later time or receive a refund payment equal to all contributions, plus two percent interest (only applicable to contracts purchased prior to the 2013/2014 enrollment period), less applicable cancellation fees.
- G. Death/Disability of Qualified Beneficiary*** Refunds equal to amount paid with all accrued earnings will be made to purchaser.
- H. Changes from Previous Valuation*** None.
- I. Other Ancillary Benefits*** There are no ancillary benefits.