

## Retroactive Share Plan Distribution Corrections

PFPP Administration's Recommended Process:	Example
a. Correct the 54 members' Share Plan ledgers (~\$80,687.76)	Assuming \$80,687.76 was adjusted; and
b. Run the preliminary 1/1/2018 Share Plan Distribution to total the number of current actives remaining in the Share Plan.	Assuming 2,500 Members remain in the Share Plan; and
c. Run report of every member who has exited the Share Plan and received a Refund.	Assuming 225 members have received Share Plan Refunds; and
d. Divide the ~\$80,687.76 by (b + c) to arrive at one 'share' of the total overpayment.	$\$80,687.76 / (2,500 + 225) = \$29.61$
e. Multiply d by c to arrive at the total underpayments to members who have exited the Share Plan.	$\$29.61 \times 225 = \$6,662.29$
f. Subtract e from a to arrive at the total underpayments to members remaining in the Share Plan;	$\$80,687.76 - \$6,662.29 = \$74,025.47$ ; and
g. Add f to the total Share Plan Distribution total and redistribute to remaining members in the Share Plan.	Assuming \$3,000,000 is allocated to the upcoming Share Plan distribution, \$74,025.47 will be added and redistributed to all actives (resulting in \$29.61 more per share).
h. Send checks, adjust pension checks to members who have exited the Share Plan.	The 225 members who exited the Share Plan will receive \$29.61 each, totaling \$6,662.29.

This is **Retrospective** because the correction is applied to a historical share distribution, not the most recent one. Members have retired in between the last two share distributions. Retrospective corrections such as this one will capture all affected members.

Since these corrections affect the 2015 AND 2016 Share Plan Distributions, a 'termination distribution'-style correction would not capture all members. Corrections must be made before any immediately succeeding Share Plan distribution to capture retired members.

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NOTE: **Prospectively**, corrections made before any succeeding share distribution will be treated like 'termination distributions' – a process already written into the Share Plan program. When someone terminates employment and is not entitled to a Share Plan refund, their account is zeroed out and added to the 'termination distribution' account, and redistributed among all members in the Share Plan during the next distribution. Any adjustments (corrections) will be treated like this.