Module 5 – Financial Analysis

Section 1: Overview

Section 2: Profit
   Part 1: Reserve and Profit
   Part 2: Gain/Loss Analysis (Total)
   Part 3: Gain/Loss Analysis (by Source)
   Part 4: Profit Vector and Profit Signature
   Part 5: Net Present Value and Risk Discount Rate (Hurdle Rate)
   Part 6: Profit Margin, Discounted Payback Period, and Internal Rate of Return

Section 3: Pension Mathematics
   Part 1: Defined Contribution Plans
   Part 2: Defined Benefit Plans
      Example 1: Flat Dollar Benefit with Early Retirement Factor
      Example 2: Percent of Salary with Optional Form of Payment
   Part 3: Replacement Ratio Example
   Part 4: Accrued Benefits, Actuarial Liability, and Normal Cost
   Part 5: Projected Unit Credit (PUC) and Traditional Unit Credit (TUC) Funding Methods
      Example 1: TUC – Final Average (Final Year) Salary Plan
      Example 2: PUC – Final Average (Last 5 years) Salary Plan
      (This example includes Early Retirement Eligibility)
   Part 6: Unit Credit (UC) Funding Method
      Example 1: UC – Career Average Salary Plan
      (This example includes using a Service Table)
      Example 2: UC – Flat Dollar Plan
      (This example includes MOY retirement benefits)

Section 4: Retiree Healthcare Benefits
   Part 1: Main Ideas
   Part 2: APV’s and Normal Cost