

Exhibit 2: Advantages and Disadvantages of Plan Designs

		Defined Benefit Plan	Defined Contribution Plan	Cash Balance Plan
Attract and Retain Qualified Employees	Advantages	<ul style="list-style-type: none"> • Rewards long-term service • Provides death and disability benefits 	<ul style="list-style-type: none"> • May appeal to younger and more mobile employees 	<ul style="list-style-type: none"> • May appeal to younger and more mobile employees
	Disadvantages	<ul style="list-style-type: none"> • Less portable than defined contribution benefits • May not appeal to more mobile employees 	<ul style="list-style-type: none"> • May not be effective in retaining employees • Death & disability benefits only provided as distribution of DC account balance 	<ul style="list-style-type: none"> • May not provide death and disability benefits
Sufficient and Sustainable Benefits	Advantages	<ul style="list-style-type: none"> • Provides guaranteed lifetime benefits • Pools risks related to investment, longevity and inflation 	<ul style="list-style-type: none"> • Gives members control over investment selection 	<ul style="list-style-type: none"> • Provides guaranteed lifetime benefits • Pools risks related to investment, longevity and inflation
	Disadvantages	<ul style="list-style-type: none"> • Lower benefits to short-term employees than under a cash balance plan 	<ul style="list-style-type: none"> • Transfers investment, longevity and inflation risk to employees • Higher fees for investment administration and management 	<ul style="list-style-type: none"> • Benefit sufficiency difficult to understand • Lower benefits to career employees than under a defined benefit plan