

ProVal[®]

VALUATION AND PROJECTION SOFTWARE FOR BOTH PENSION & OPEB PLANS

Used worldwide by actuaries and investment consultants

ProVal's calculation modes accommodate all of your employee benefit plans. By picking the appropriate mode, you ensure that the relevant laws and regulations will be incorporated in your liabilities, contributions, and expense. ProVal has calculation modes for the following types of plans:



- U.S. Qualified defined benefit pension plans (both single employer and multi-employer)
- Canadian Registered defined benefit plans
- Non-qualified defined benefit pension plans
- Retiree life and medical (OPEB) plans
- Public pension plans

All modes have the same structure – and capabilities – so familiarity with any single mode means that you'll be comfortable with any other in a few minutes.

Census Data

ProVal's built-in tools for database management will help you quickly and accurately prepare census data. You'll find powerful, yet easy, ways to:

- Import, merge, and edit data
- Screen for complete and reasonable values, including comparing to the prior year
- Produce status reconciliations and age/service scatter charts
- Define fields by way of a formula or table

ProVal's state-of-the-art data editor uses a familiar

spreadsheet interface and all changes are tracked by time, date, and user.

Annual Valuations

Until ProVal, there really wasn't an adequate way in which to enter benefit formulas. Some systems were inflexible and couldn't accommodate the myriad of plan designs in existence today. Others forced you to enter hundreds of parameters to code even the simplest formulas. Still others used entry-point programming – notoriously difficult to code, check, and update.

ProVal's plan definition structure is both flexible and concise. It accommodates plans of all types without entry-point programming: e.g., final-pay, career-average, cash balance, pension equity, and floor-offset pension benefits and medical, dental, and disability OPEB benefits. Grandfathered benefits, unique plan formulas, and complex plan provisions can all be defined without entry-point programming.

Liabilities for employee benefit plans must be measured using several different methods and assumption sets. ProVal produces a comprehensive set of liability calculations – e.g., PPA target liabilities, PBGC liability, PBO, ABO, and FAS 35 liability – in a single run.

ProVal gives you powerful tools to ensure the integrity of your results. Extensive sample life output shows you the details you need to check your runs. ProVal's audit trail provides an automatic

link between your inputs and your results, from data through valuations to forecast output. Whether you ran your valuation last night or last year, you'll be able to review every input item. You can't accidentally modify or delete critical data or parameters. The results: more effective peer review, more complete documentation, and a better product.

Contributions & Expense

ProVal not only produces liability values — it also calculates funding contributions and accounting expense. ProVal even produces a series of exhibits that can be incorporated into your actuarial report, including:

- Minimum required contribution
- Maximum tax deductible contribution
- FAS 87/158 expense development
- FAS 35 disclosure

ProVal calculates contributions under many actuarial cost methods and funding policies, applying, where appropriate, the minimum and maximum funding requirements. Expense is available under numerous accounting standards for both pension and OPEB plans (GASB 25/27/43/45, FAS 87/106/158, CICA 3461, and IAS 19).

Output & Reports

ProVal's output lets you compare or add multiple runs and see splits by benefit, status, subtotal, pre/post-Medicare, etc. All output can be saved to MS Excel for further analysis.

For report writing, contribution

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and expense exhibits can be saved directly to your valuation report in MS Word or fed into a report writer using MS Access.

For Form 5500 Schedule B (and the new SB/MB), results can be saved to an .xml file that imports into Relius Government Forms.

For forecasting, ProVal makes it easy to present the results with colorful, easy-to-understand charts. Once you've created a chart, you can print it directly or paste it into a document or a slide show.

Deterministic Forecasting, Stochastic Forecasting, & Asset Allocation

Valuations tell you what happened over the past year and reveal the current financial position of the plan. But they don't address another important need of senior management – to know where the plan may be headed in the future. Once the valuation is complete, ProVal allows you to perform deterministic forecasts with little additional work. You'll be able to experiment with changes in methods, assumptions, demographics, and even benefit levels. Because you can specify independent valuation and projection assumptions, you'll see the results of gains and losses in each year of the forecast. And each year will include a full set of contribution and expense calculations.

The next level of analytical sophistication is stochastic forecasting, which reveals the plan's reaction to a range of potential future experience. One particularly effective area for stochastic study is asset allocation, which historically has accounted for over 90% of the

variation in total plan returns. ProVal facilitates these studies with a capital market simulator that generates interest rates consistent with fixed income returns and that satisfies arbitrage-free restrictions. Stochastic forecasts can include up to 10,000 Monte Carlo trials, unlimited user-specified asset classes, and unlimited asset mixes. Efficient frontier calculations can optimize asset-only returns or surplus returns (surplus = assets – liabilities). The capital market results influence both projection assumptions and valuation assumptions according to your specifications. In this way, each trial's projected benefits and the liabilities associated with them accurately reflect economic experience.

Other Tools

- Gain/Loss Analysis
- Experience Studies
- Administration Factors
- Nondiscrimination Testing
- Social Security PIA
- Plan Sponsor toolkit (see ProVal PS brochure)

Help

ProVal's on-line help makes an already-intuitive system even easier to learn and use. It includes full documentation for every command, answers to frequently asked questions, and extensive cross-references to related topics.

We also provide context-sensitive help in case you're not sure how to fill in one of the parameters.

Support

If you'd rather talk to one of our actuaries, we provide free telephone support during business

hours.

Staff Training

The menu-driven, user-friendly structure enables you to make full use of ProVal's power without investing a lot of time learning to run the system. Thousands of actuaries and non-actuaries have learned to use ProVal at our hands-on, comprehensive, two-day training sessions.

Frequent Releases

We continually update ProVal to reflect new legislation, add additional features, or improve ease of use. We implemented the extensive funding requirement changes of PPA '06 within three months of passage. Upgrading to a new release is painless, and all of your work will transfer automatically to the new release.

User Group Meetings

Enhancements to ProVal are largely customer-driven, based on your feedback. WinTech holds periodic meetings to add items to the R&D list and to establish priorities.



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