

Simulated Balance - What is it?

As you come in regular contact with the Fund, you will hear of this term more frequently: "simulated balance" - what does it mean?

In simple terms, it means calculating your current entitlement (for a pre-retirement benefit) based on the totality of your account, including any previous withdrawals, and not by virtue of what is currently on your balance alone.

Therefore, a "simulated balance" calculation would apply only if you are presently requesting a pre-retirement benefit, more than once. It does not apply to those applying for a pre-retirement withdrawal for the first time.

So the amount you are entitled to withdraw is calculated not on your current balance, but rather on your "simulated balance." How do you arrive at your "simulated balance"?

The main part of the calculation to remember is to add back all your previous withdrawals.

An example is given below:

<u>Part One Previous Withdrawals</u>	
1. In 1989 you applied for a housing transfer for:	\$10,000
• In 1995 you applied for education assistance for:	\$ 1,500
• In 1998 you applied for education assistance for:	<u>\$ 2,500</u>
	\$14,000
<u>Part Two Current Balance</u>	
• Currently, in October, 2000 you would like to find out what you could withdraw further from your account for the purpose of reduction of your housing loan. Your current balance is:	\$32,000
<u>Part Three Calculating Your "Simulated Balance"</u>	
• To find out your entitlement we first add back all your previous withdrawals: (part one above)	<u>\$14,000</u>
• This is your "simulated balance" -	<u>\$46,000</u>

<u>Part Four ▯ Calculating Your Current Entitlement</u>	
<ul style="list-style-type: none"> • We now calculate 2/3rd of the simulated balance of \$42,000 under the housing scheme - 	\$30,666
<ul style="list-style-type: none"> • We deduct the amount withdrawn previously: 	<u>\$14,000</u>
<ul style="list-style-type: none"> • Current entitlement for housing purpose is: 	<u>\$16,666</u>

Note: Your entitlement is not 2/3rds of your current balance of \$32,000, which is \$21,333, but rather \$16,666.