

**AMENDMENT NO. 3 TO
THE CONTRACT FOR
CONSULTING SERVICES
BETWEEN
MILLIMAN, INC.
AND
THE OFFICE OF THE BUDGET**

This Amendment Number 3 to the Contract for Consulting Services (hereinafter "Amendment No. 3") is entered into as of the Effective Date as defined below by and between Milliman, Inc. (hereinafter "Consultant") and the Commonwealth of Pennsylvania, acting by and through the Office of the Budget (hereinafter "Commonwealth").

WHEREAS, the Parties entered into a contract (Document No. 4400010214) dated August 21, 2012, whereby Milliman, Inc. agreed to provide consulting services to assist the Commonwealth in actuarial science, pension systems, and the Pennsylvania School Employees' Retirement System and the State Employees' Retirement System; and

WHEREAS, the Parties entered into Amendment No. 1 dated February 8, 2013 which increased the contract (Document No. 4400010214) by \$300,000 for a total of \$600,000; and

WHEREAS, the Parties entered into Amendment No. 2 dated April 23, 2013 which increased the contract (Document No. 4400010214) by another \$300,000 for a total of \$900,000; and

WHEREAS, the Parties have determined and agreed that as a result of changing circumstances and changing needs of

the Commonwealth, the Commonwealth requires additional services on the part of Milliman, Inc.; and

WHEREAS, the Parties desire to execute this Amendment No. 3 to increase the cost of the Contract from \$900,000.00 to \$1,100,000.00 for the provision of additional hours of consulting services;

NOW THEREFORE, in consideration of the agreement by the Consultant to provide the additional hours of services and the agreement by the Commonwealth to make payment for such services as set forth herein, the Parties, intending to be legally bound, do hereby agree as follows:

1. **Amendment of Paragraph 2 of the Contract.** The Parties hereby agree to increase the amount of the Contract by \$200,000.00. Paragraph 2 of the Contract is hereby amended to read as follows:

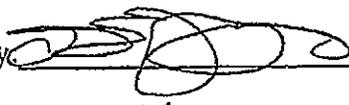
"Consultant shall be compensated by the Commonwealth for the services contracted for in an amount not to exceed \$1,100,000.00 in accordance with the provisions of Appendices A, B and C of this Contract."
2. **Amendment of Hourly Rate.** The hourly rates to personnel listed in Appendix B of the Amendment have been increased.
3. **Terms and Conditions of Contract Not Affected.** Any terms or conditions of the Contract that have not been expressly and directly amended by this Amendment No. 3 are, and shall remain, in full force and legal effect as written in the Contract as of and from the Effective Date of the Contract.
4. **Headings.** The headings preceding the paragraphs of this Amendment No. 3 have been inserted only for convenience and shall not modify, restrict, or be used to interpret, and shall not have any effect on the understanding, interpretation, or application of, any provision of this Amendment No. 3 or of the Contract.

IN WITNESS WHEREOF, in consideration of the mutual agreements made herein, and intending to be legally bound hereby, the authorized officer for the Commonwealth of Pennsylvania and Consultant have executed this Amendment No. 3 to the Contract.

CONSULTANT:

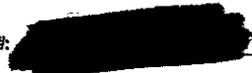
OFFICE OF THE BUDGET:

Scott Baker

By: 

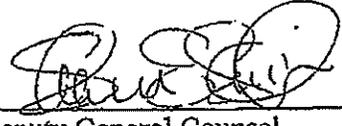
Date: 1/16/14

Date: 1-24-14

Federal Employer ID #: 

APPROVED AS TO FORM AND LEGALITY:

 1/22/2014
Chief Counsel Date
Office of the Budget

 2/12/14
Deputy General Counsel Date
Office of General Counsel

 2/25/14
Deputy Attorney General Date
Office of Attorney General

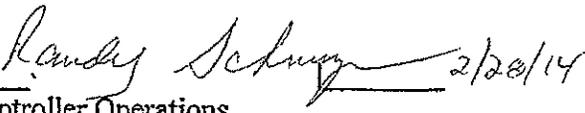
FISCAL APPROVAL BY COMPTROLLER OPERATIONS

This document is approved for fiscal responsibility and budgetary appropriateness, subject to the issuance of Purchase Orders or notices to proceed and the availability of funds.

FUND: 1062213000

FUND CENTER: 8121001000

COMMITMENT ITEM: 6341100


Comptroller Operations

APPENDIX A
DESCRIPTION OF SERVICES

In return for the compensation to be paid in accordance with this Contract, Consultant shall perform or provide the following services or things to the Department:

Continued assistance with the development of plan design and funding elements for the Public School Employees Retirement System and the State Employees Retirement System.

**APPENDIX B
BILLING RATE INFORMATION**

In return for the services provided by Consultant pursuant to this Contract, the Department shall compensate Consultant as follows:

1. Work performed by Consultant shall be billed at the following rates:

Personnel	Team Member	Hourly Rate
Consulting Actuary and Principal	Glenn Bowen Tim Herman Alan Perry Scott Porter Kathy Warren **	\$419
Senior Actuary/FSA or other Senior Consultant	Rick Gordon Tim Nugent ** Jim Broulette	\$336
Analyst	Steve Bagent Heng Lim Ray Robb Rebecca Ross	\$186
Administrative		\$ 99

** Kathy Warren and Tim Nugent will assist the project team with programming set up but will not be serving PA DOB in a consulting role.