

Merit and Special Increase Analysis											
Analysis as of 9-30-2007											
Major Organizational Unit	Number of Employees	# of 4 rated Employees	Percentage 4 Rated	Ave Merit 4 Rated	# of 3 Rated Employees	Percentage 3 Rated	Ave Merit 3 Rated	Average Merit	Number of Special Incr	Percentage of Sp Incrs	Total % Incr Merit & Sp
Chief Counsel	237	110	47%	6.12%	127	53%	4.36%	5.18%	14	5.9%	5.43%
Chief National Bank Examiner	107	44	41%	5.98%	63	59%	4.52%	5.12%	6	5.6%	5.29%
Comptroller/Chief of Staff and Public Affairs	132	49	37%	6.25%	83	63%	4.54%	5.18%	9	6.8%	5.44%
Information Technology Services	72	26	36%	6.40%	46	64%	4.37%	5.09%	5	2.9%	5.24%
International & Economic Affairs	94	32	34%	6.77%	62	66%	4.35%	5.17%	5	5.3%	5.44%
Ombudsman	57	17	30%	5.85%	40	70.0%	4.75%	5.08%	5	8.8%	5.46%
Management/CFO	183	45	24.5%	6.68%	138	75.5%	4.34%	4.91%	11	6.0%	5.26%
Midsized/Community Bank Supervision	1527	351	23%	6.54%	1,176	77%	4.67%	5.10%	275	18.0%	5.82%
Large Bank Supervision	520	97	18.6%	7.79%	423	81.4%	4.85%	5.40%	13	2.5%	5.50%
Total OCC	2929	725	24.7%	6.58%	2,204	75.3%	4.64%	5.12%	343	11.3%	5.54%

Assumptions used by NTEU in this analysis:

- OCC has published the number of special increases awarded in each organizational unit and what those special increases represent as a percentage of the organizational unit. Using the number of awards and the percentage figure provided, one can easily determine the number of employees in a given organizational unit.
- Once we know the total number of employees in an organizational unit, we can develop our two non-linear equations:
 - Let X equal the number of Employees receiving a 4 rating
 - Let Y equal the number of Employees receiving a 3 rating
 - Let A equal the average 4 merit increase
 - Let B equal the average 3 merit increase
 - Let N equal the number of organizational unit employees
 - Let W equal the average merit increase
- Caveat: Only employees rated a "3" or a "4" receive a merit increase. However, the organization does have some "1" and "2" rated employees who do not receive a rating. Historically these employees have accounted for approximately 2% of the organization. Consequently, for this analysis these employees are viewed as statistically insignificant. Therefore, there is assumption that 100% of the employees receive a merit increase instead of only 98%.
- Our first equation:
 $X(A) + Y(B) = N(W)$
- The Second equation:
 $X + Y = N$
- From there it becomes a matter of substitution where:
 $X = N - Y$ or
 $(N - Y)(A) + Y(B) = N(W)$
- From this point it is easy to determine X and Y.

With the exception of the one caveat above we believe our mathematics to be reasonably sound and should consequently provide for a "ball park" estimate. That is assuming the figures provided are accurate.