

UA and UO agreed to a Progressive Pay Reduction model that ascribes a specific percentage reduction of base salary that is dependent on the base salary. The specific model was referred to as the “double linear” model. In that model to generate \$20M of savings:

- Base salaries below \$45,000 are not reduced
- Base salaries between \$45,000 and \$150,000 are reduced by a percentage that grows linearly from 0% at \$45,000 to 12% at \$150,000
- Base salaries between \$150,000 and \$200,000 are reduced by a percentage that grows linearly from 12% at \$150,000 to 18% at \$200,000
- Base salaries above \$200,000 are reduced by 18%

The explicit formulas for the percentage (P) reduction to base salary (S) at \$20M are given by the following:

$$P = 0\% \text{ if } S \leq \$45,000$$

$$P = (12/105000) * (S - 45,000) \text{ if } \$45,000 < S \leq \$150,000$$

$$P = (6/50000) * (S - 150,000) + 12\% \text{ if } \$150,000 < S \leq \$200,000$$

$$P = 18\% \text{ if } \$200,000 < S$$

Base Salary	Effective Reduction (\$20M)
\$40,000	0.00%
\$60,000	1.71%
\$80,000	4.00%
\$100,000	6.29%
\$120,000	8.57%
\$140,000	10.86%
\$160,000	13.20%
\$180,000	15.60%
\$200,000	18.00%
\$220,000	18.00%

The rates will be scaled down proportionally if the PPR amount is less than \$20M.