

Base and Incentive Payments

All States that Opt in Receive Base Payment plus Incentive Payments:

Incentive A

40% of net abatement amount multiplied by aggregate overall allocation percentage of the Settling States (see page 2).

All states are paid in the first two payments as if they have earned Incentive A. If by Payment 3 (July 2023) a State has not achieved Incentive A they can earn Incentive B and/or Incentive C.

Any overpayment in year one and two will offset future payments.

Qualifying Criteria

- Have a Bar
- Have a settlement class resolution
- Have released claims of all entities or have a case-specific resolution against such entities

* Or a combination of all above

Incentive B

25% of net abatement amount multiplied by aggregate overall allocation percentage of the Settling States.

Paid on a sliding scale depending on the population of Litigating Subdivisions that are Participating Subdivisions compared to total population of all Litigating Subdivisions in the State.

Must have 85% to get any share of B

Qualifying Criteria

- Not eligible for Incentive A
- Litigating Subdivisions are participating in the settlement on a sliding scale
- Have a case-specific resolution against litigation subdivisions in place for the entire year.

Incentive C

15% of net abatement amount multiplied by aggregate overall allocation percentage of the Settling States.

Paid on a sliding scale depending on the population of Litigating Subdivision and of Non Litigating Subdivisions that have a population over 30,000 that are Participating Subdivisions compared to the total population of all Litigating Subdivisions and of all Non Litigating Subdivisions with a population over 30,000 in the state.

Must have 60% to get any share of C.

Qualifying Criteria

- Not eligible for Incentive A
- Must meet a population and participation threshold

Incentive D

5% share of the States total Abatement Fund allocation (see page 20). Payable starting in year 6 through year 18.

Qualifying Criteria

- State must have had no later Litigating Subdivisions bring suit and proceed past preliminary motions in the prior 5 years

State may qualify for Incentive B and Incentive C

If a State earns Incentive A they are not entitled to Incentive B or Incentive C