

[Billing Code 7708-01-P]

PENSION BENEFIT GUARANTY CORPORATION

29 CFR PART 4044

RIN 1212-AA55

Valuation of Benefits; Mortality Assumptions

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation is amending its benefit valuation regulation by adopting more current mortality assumptions. The mortality assumptions prescribed under PBGC's regulations to be used to value benefits for non-disabled ("healthy") participants are taken from the 1983 Group Annuity Mortality (GAM-83) Tables. The PBGC published a final rule adopting these tables in 1993, noting that many private-sector insurers used the GAM-83 Tables when setting group annuity prices. At that time, the PBGC also said that it intended to keep each of its individual valuation assumptions in line with those of private-sector insurers, and to modify its mortality assumptions whenever it is necessary to do so to achieve consistency with the private insurer assumptions. This rule updates those assumptions by replacing a version of the GAM-83 Tables with a version of the GAM-94 Tables. The updated mortality assumptions will better conform to those used by private-sector insurers in pricing group annuities.

DATES: Effective January 1, 2006. For a discussion of applicability of the amendments, see the Applicability section in SUPPLEMENTARY INFORMATION.

FOR FURTHER INFORMATION CONTACT: James J. Armbruster, Acting Director, Legislative and Regulatory Department, or James L. Beller, Jr., Attorney, Legislative and Regulatory Department, PBGC, 1200 K Street, N.W., Washington, DC 20005-4026; 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

SUPPLEMENTARY INFORMATION:

On March 14, 2005 (at 70 FR 12429), the Pension Benefit Guaranty Corporation (PBGC) published a proposed rule modifying 29 CFR part 4044 (Allocation of Assets in Single-employer Plans). The PBGC received one comment letter on the proposed rule (which is addressed below) and is issuing the final regulation as proposed.

The PBGC's regulations provide rules for valuing benefits in a single-employer plan that terminates in a distress or involuntary termination. (The rules are codified at 29 CFR part 4044, subpart B.) The PBGC uses these rules to determine: (1) the extent to which participants' benefits are funded under the allocation rules of ERISA section 4044, (2) whether a plan is sufficient for guaranteed benefits, and (3) how much an employer owes the PBGC as a result of a plan termination under ERISA section 4062. Employers must use these rules to determine the value of plan benefit liabilities in annual reports required to be submitted under ERISA section 4010, and may use these rules to ensure that plan spinoffs, mergers, and transfers comply with Internal Revenue Code section 414(l).

General valuation approach

The valuation rules prescribe a number of assumptions intended to produce reasonable valuation results on average for the range of plans terminating in distress or involuntary terminations, rather than for any particular plan or plan type. The assumptions prescribed by this

rule for valuing benefits in terminating plans match the private-sector annuity market to the extent possible.

The market cost of providing annuity benefits is based upon data from periodic surveys conducted for the PBGC by the American Council of Life Insurers (the ACLI surveys). These ACLI surveys ask insurers for pricing information on group annuities. Each respondent to the surveys provides its prices (net of administrative expenses) for a range of ages for immediate annuities (annuities where payments start immediately) and for deferred annuities (annuities where payments are deferred to age 65). Prices of each of the two types of annuities are averaged at each age to get an average market price. Interest factors are derived so that, when combined with the PBGC's healthy-life mortality assumptions, they provide the best fit for the average market prices (as obtained from the ACLI surveys) over the entire range of ages. The interest factors are recalibrated to the annuity survey prices each year. Each month between recalibrations, the interest factors are adjusted based on changes in the yield on long-term corporate investment-grade bonds. The interest factors are then used in conjunction with the PBGC's mortality assumptions (and other PBGC assumptions) to value annuity benefits.

These derived interest factors are not market interest rates. The factors stand in for all the many components used in annuity pricing that are not reflected in the given mortality table — e.g., assumed yield on investment, margins for profit and contingencies, premium and income taxes, and marketing and sales expenses. Because of the relationship among annuity prices, a mortality table, and the derived interest factors, it is never meaningful to compare PBGC's interest factors to market interest rates. The PBGC's interest factors are meaningful only in combination with the PBGC's mortality assumptions.

Mortality assumptions

One set of assumptions prescribed by the valuation regulation relates to the probabilities that a participant (or beneficiary) will survive to each expected benefit payment date, i.e., mortality assumptions. The mortality assumptions now used to value benefits for non-disabled ("healthy") participants are taken from the 1983 Group Annuity Mortality (GAM-83) Tables. The PBGC published a final rule adopting these tables in 1993, noting in the preamble to the proposed rule, 58 FR 5128, 5129 (January 19, 1993), that many private-sector insurers used the GAM-83 Tables when setting group annuity prices. The PBGC also said (at 58 FR 5129) that it intended "to keep each of its individual valuation assumptions in line with those of private-sector insurers, and to modify its mortality assumptions whenever it is necessary to do so to achieve consistency with the private insurer assumptions." These mortality assumptions have not been updated since 1993.

As noted, the ACLI periodically conducts surveys, on behalf of the PBGC, of insurers who provide group annuity contracts for information on how they price group annuities. In addition to other pricing questions, the ACLI from time to time has asked for information on which mortality tables the insurers use when pricing group annuities in pension plans. A majority of respondents indicated that, as of March 31, 2002, they use a version of the 1994 Group Annuity Mortality Basic (GAM-94 Basic) Table and project future improvements in mortality with projection scale AA. Similarly, the Society of Actuaries sponsored a survey of pricing actuaries for insurers who provide group annuity contracts and found that five of the ten respondents used a version of the GAM-94 Table and six of the ten used an unloaded (i.e., basic) table. 30-Year Treasury Rates and Defined Benefit Plans, August 22, 2001, p.5. That survey also found that most of the surveyed companies projected future improvements and that the most common projection scale was AA.

Based on these surveys, this regulation adopts the GAM-94 Basic Table as the basis for the healthy-life mortality assumptions to be used for PBGC valuations of plan benefits. Specifically, for a particular valuation, the regulation prescribes the use of the GAM-94 Basic Table projected to the year of that valuation plus 10 years using Scale AA. The updated mortality assumptions will result in interest factors that, when combined with those updated mortality assumptions, will provide prices that match the ACLI survey prices more closely across the entire range of ages than had GAM-83 been used.

The regulation prescribes a projected mortality table to take into account expected improvements in mortality. While it would be ideal to reflect mortality improvement through the use of a fully generational mortality table (i.e., a table that provides for full generational mortality improvement), this would be unduly complex.¹ A fully generational table is constructed from a group of static tables. For example, the value of an annuity payable to a participant beginning at age 65 in 2007 would be calculated from a 2007 static table for the probability of death at age 65, a 2008 static table for the probability of death at age 66, a 2009 static table for the probability of death at age 67, etc.

One method of approximating the effect of full generational mortality improvement is to project the current table for a specified number of years and use the resulting table without further projection. The number of years of projection would be equal to the years to the valuation date plus the duration of liabilities. This rule adopts this approach. A mortality table that includes projection for the liability duration takes into account expected mortality improvements and

¹ In response to the 1997 Notice of Intent to Propose Rulemaking, one commenter asked for the adoption of a static table rather than a generational table to avoid unnecessary complexity.

achieves results very close to those of a fully generational table but in a much less complex manner.

The regulation calls for the use of mortality tables projected to the year of valuation plus 10 years as a rough approximation for the duration of liabilities in plans that terminate in distress or involuntary terminations. Thus, for a valuation in 2006, mortality is projected to the year 2016 for each age. For a valuation in 2007, mortality is projected to the year 2017. For example, the probability of death for a 65-year-old healthy male to be used in a valuation in 2006 would be calculated as follows: $.015629 \times (1 - .014)^{(2006-1994+10)} = .011461$. The PBGC will publish the projected mortality tables on its Web site (www.pbgc.gov).

There is no reason to expect that the mortality tables under this regulation will match the tables that are prescribed for certain funding purposes under Treasury Regulations at any point in time. The PBGC's mortality tables are based on the mortality experience of group annuitants. In contrast, the tables to be used for certain minimum funding purposes are based on the mortality experience of individuals covered by pension plans.

Because of the way the PBGC's interest factors are determined, the choice of mortality assumptions generally is expected to have no significant effect on benefit valuations. The effect that a change in mortality assumptions will have on valuations generally will be offset by the effect of the corresponding change in the interest factors. For example, the use of GAM-94 mortality assumptions will result in higher interest factors than would the use of GAM-83 mortality assumptions (because GAM-94 has lower mortality rates than GAM-83). When those higher interest factors are combined with GAM-94, the resulting value for a given benefit will generally be about the same as it would be using GAM-83 along with the lower interest factors derived

from the ACLI survey prices using GAM-83. (For a more detailed explanation, see the preambles to the PBGC's proposed rule published on January 19, 1993, at 58 FR 5128, and final rule published on September 28, 1993, at 58 FR 50812.)

In addition to the mortality assumptions for healthy individuals, the current regulation provides two other sets of mortality assumptions: (1) those for participants who are disabled under a plan provision requiring eligibility for Social Security disability benefits (Social Security disabled participants), and (2) those for participants who are disabled under a plan provision that does not require eligibility for Social Security disability benefits (non-Social Security disabled participants).

As with the mortality assumptions for healthy individuals, this rule updates the mortality assumptions used for disabled participants. For Social Security disabled participants, the regulation calls for the use of the Mortality Tables for Disabilities Occurring in Plan Years Beginning After December 31, 1994, from Rev. Rul. 96-7 (1996-1 C.B. 59). These tables were developed by the Internal Revenue Service as required by the Retirement Protection Act of 1994 amendments relating to the determination of current liability. For non-Social Security disabled participants, the regulation calls for the use of the healthy life tables projected from 1994 to the calendar year in which the valuation date occurs plus 10 years using Scale AA and setting the resulting table forward three years. In addition, in order to prevent the rates at the older ages from exceeding the corresponding rates in the proposed table for Social Security disabled participants, the mortality rate for non-Social Security disabled participants is capped at the corresponding rate for Social Security disabled participants. For convenience, the PBGC will

make all of these mortality tables (like the healthy-life mortality tables) available on its Web site (www.pbgc.gov).

The rule also makes a clarifying change to this regulation to reflect the PBGC's practice of treating a participant as a disabled participant (Social Security disabled and non-Social Security disabled, whichever is applicable) if on the valuation date the participant is under age 65 and has a benefit that was converted under the plan's terms from a disability benefit to an early or normal retirement benefit for any reason other than a change in the participant's health status.

In addition, for clarity, paragraph 4044.52(d) is expressed more simply and moved to paragraph 4044.53(g). That paragraph, which deals with mortality when valuing deferred joint annuities, is being moved from the subsection that deals generally with valuation to the subsection that deals specifically with mortality.

Comments on notice of intent to propose rulemaking.

In developing the proposed rule, the PBGC considered the comments relating to its mortality assumptions that it received in response to its notice of intent to propose rulemaking issued on March 19, 1997 (62 FR 12982). The proposed rule adopted a number of the suggestions made by commenters. For instance, one commenter suggested that the regulation should not call for the use of a reserving table (*i.e.*, a table that includes a built-in margin to provide a cushion for reserving purposes). Another commenter asked for the adoption of a static table rather than a generational table. This final rule adopts basic (nonreserve) tables that approximate the effect of full generational mortality improvements without the complexity of a fully generational table.

Several commenters asked that the rule provide mortality assumptions that vary depending on industry or workforce type or that vary on a plan-specific basis. The proposed rule did not

adopt either of these approaches. As discussed above and in the proposed rule, the mortality assumptions are selected with the goal of achieving consistency with the mortality assumptions used by private-sector insurers for pricing group annuity contracts. To this end, ACLI respondents were asked to identify the mortality tables they used and any variations to those tables. Neither the proposed GAM-94 Basic Table, the most commonly identified table, nor any of the other tables identified by the survey respondents provided mortality assumptions that vary depending on industry or workforce type. Moreover, none of the survey respondents reported that they make modifications or adjustments based on industry or workforce type. As for the use of plan-specific mortality assumptions, the general valuation approach is to apply a common set of assumptions (e.g., mortality, expected retirement age) to all plans with the goal of producing reasonable results on average. Shifting to a plan-specific approach for mortality would be a fundamental change that could require burdensome verification procedures. Therefore, the PBGC proposed to continue to use more general mortality assumptions that, like its other assumptions, produce reasonable results on average. (No comments were received on the proposed rule with respect to this issue.)

Comments on proposed rule.

One comment letter on the proposed rule was received. The commenter, an actuary in private practice, asserted that the GAM-94 Basic Table is not widely available and asked the PBGC to explain this table more clearly and to publish the exact Qs (mortality rates). The commenter also suggested that the PBGC should clarify why the proposed rates tables for Social Security disabled lives, which differ from other popular rates tables for disabled lives (for example, the RP-2000 disabled life mortality table), are appropriate.

The GAM-94 Basic Table is also known as the 1994 Uninsured Pensioner Mortality Table (UP-94), which is widely available; for example, it is included in the Society of Actuaries' mortality table software, "Table Manager." The GAM-94 Basic Table, with specific Qs and the projection scale, was part of the proposed rule (and is included in this final rule). In addition, as stated above and in the proposed rule, the PBGC will publish the projected mortality tables on its Web site (www.pbgc.gov).

The rule calls for the use of rates from the Mortality Tables for Disabilities Occurring in Plan Years Beginning After December 31, 1994, from Rev. Rul. 96-7 (1996-1 C.B. 59) for Social Security disabled participants, because those rates were developed based on the Social Security Administration's experience for individuals who are receiving benefits under its program. These tables differ from certain other popular tables (in particular, the RP-2000 table), which are based on a population of all disabled lives, rather than the narrower population of Social Security disabled lives.

Applicability

These amendments apply to any plan with a termination date on or after January 1, 2006.

Other Changes to Valuation Regulation

The PBGC will continue to explore other ways to improve its benefit valuation regulations and may make other changes through separate rulemaking actions.

Compliance with Rulemaking Guidelines

The PBGC has determined, in consultation with the Office of Management and Budget, that this rule is a "significant regulatory action" under Executive Order 12866. The Office of Management and Budget, therefore, has reviewed this rule under Executive Order 12866.

The PBGC certifies under section 605(b) of the Regulatory Flexibility Act that this rule will not have a significant economic impact on a substantial number of small entities. As explained earlier in this preamble, the effect on a plan valuation of the change in the PBGC's mortality assumptions will be offset by the effect on that plan's valuation of the PBGC's use of higher interest factors. Because of this offsetting effect, the PBGC does not expect this rule to have a significant economic impact on a substantial number of entities of any size. Accordingly, sections 603 and 604 of the Regulatory Flexibility Act do not apply.

This final rule contains no collection of information requirements within the meaning of the Paperwork Reduction Act of 1995.

List of Subjects

29 CFR Part 4044

Employee benefits plans, Pension insurance, Pensions.

For the reasons set forth above, the PBGC amends part 4044 of 29 CFR chapter XL as follows:

PART 4044 -- ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

1. The authority citation for part 4044 continues to read as follows:

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, and 1362.

2. Amend § 4044.52 by adding the word "and" to the end of paragraph (c), removing paragraph (d), and redesignating paragraph (e) as paragraph (d).

3. Revise § 4044.53 to read as follows:

§ 4044.53 Mortality assumptions.

(a) General rule. Subject to paragraph (b) of this section (regarding certain death benefits), the plan administrator shall use the mortality factors prescribed in paragraphs (c), (d), (e), (f), and (g) of this section to value benefits under § 4044.52.

(b) Certain death benefits. If an annuity for one person is in pay status on the valuation date, and if the payment of a death benefit after the valuation date to another person, who need not be identifiable on the valuation date, depends in whole or in part on the death of the pay status annuitant, then the plan administrator shall value the death benefit using —

(1) the mortality rates that are applicable to the annuity in pay status under this section to represent the mortality of the pay status annuitant; and

(2) the mortality rates under paragraph (c) of this section to represent the mortality of the death beneficiary.

(c) Healthy lives. If the individual is not disabled under paragraph (f) of this section, the plan administrator will value the benefit using —

(1) For male participants, the rates in Table 1 of Appendix A to this part projected from 1994 to the calendar year in which the valuation date occurs plus 10 years using Scale AA from Table 2 of Appendix A to this part; and

(2) For female participants, the rates in Table 3 of Appendix A to this part projected from 1994 to the calendar year in which the valuation date occurs plus 10 years using Scale AA from Table 4 of Appendix A to this part.

(d) Social Security disabled lives. If the individual is Social Security disabled under paragraph (f)(1) of this section, the plan administrator will value the benefit using —

(1) For male participants, the rates in Table 5 of Appendix A to this part; and

(2) For female participants, the rates in Table 6 of Appendix A to this part.

(e) Non-Social Security disabled lives. If the individual is non-Social Security disabled under paragraph (f)(2) of this section, the plan administrator will value the benefit at each age using —

(1) For male participants, the lesser of —

(i) The rate determined from Table 1 of Appendix A to this part projected from 1994 to the calendar year in which the valuation date occurs plus 10 years using Scale AA from Table 2 of Appendix A to this part and setting the resulting table forward three years, or

(ii) The rate in Table 5 of Appendix A to this part.

(2) For female participants, the lesser of —

(i) The rate determined from Table 3 of Appendix A to this part projected from 1994 to the calendar year in which the valuation date occurs plus 10 years using Scale AA from Table 4 of Appendix A to this part and setting the resulting table forward three years, or

(ii) The rate in Table 6 of Appendix A to this part.

(f) Definitions of disability.

(1) Social Security disabled. A participant is Social Security disabled if, on the valuation date, the participant is less than age 65 and has a benefit in pay status that —

(i) Is being received as a disability benefit under a plan provision requiring either receipt of or eligibility for Social Security disability benefits, or

(ii) Was converted under the plan's terms from a disability benefit under a plan provision requiring either receipt of or eligibility for Social Security disability benefits to an early or normal retirement benefit for any reason other than a change in the participant's health status.

(2) Non-Social Security disabled. A participant is non-Social Security disabled if, on the valuation date, the participant is less than age 65, is not Social Security disabled, and has a benefit in pay status that —

(i) Is being received as a disability benefit under the plan, or

(ii) Was converted under the plan's terms from a disability benefit to an early or normal retirement benefit for any reason other than a change in the participant's health status.

(g) Contingent annuitant mortality during deferral period. If a participant's joint and survivor benefit is valued as a deferred annuity, the mortality of the contingent annuitant during the deferral period will be disregarded.

4. Revise Appendix A to Part 4044 to read as follows:

APPENDIX A TO PART 4044 – MORTALITY RATE TABLES

The mortality tables in this appendix set forth for each age x the probability q_x that an individual aged x (in 1994, when using Table 1 or Table 3) will not survive to attain age $x+1$. The projection scales in this appendix set forth for each age x the annual reduction AA_x in the mortality rate at age x .

TABLE 1 – MORTALITY TABLE FOR HEALTHY MALE PARTICIPANTS (94 GAM BASIC)

Age x	q_x
15.....	0.000371
16.....	0.000421
17.....	0.000463
18.....	0.000495
19.....	0.000521
20.....	0.000545
21.....	0.000570
22.....	0.000598
23.....	0.000633
24.....	0.000671

25.....	0.000711
26.....	0.000749
27.....	0.000782
28.....	0.000811
29.....	0.000838
30.....	0.000862
31.....	0.000883
32.....	0.000902
33.....	0.000912
34.....	0.000913
35.....	0.000915
36.....	0.000927
37.....	0.000958
38.....	0.001010
39.....	0.001075
40.....	0.001153
41.....	0.001243
42.....	0.001346
43.....	0.001454
44.....	0.001568
45.....	0.001697
46.....	0.001852
47.....	0.002042
48.....	0.002260
49.....	0.002501
50.....	0.002773
51.....	0.003088
52.....	0.003455
53.....	0.003854
54.....	0.004278
55.....	0.004758
56.....	0.005322
57.....	0.006001
58.....	0.006774
59.....	0.007623
60.....	0.008576
61.....	0.009663
62.....	0.010911
63.....	0.012335
64.....	0.013914
65.....	0.015629
66.....	0.017462
67.....	0.019391
68.....	0.021354

69.....	0.023364
70.....	0.025516
71.....	0.027905
72.....	0.030625
73.....	0.033549
74.....	0.036614
75.....	0.040012
76.....	0.043933
77.....	0.048570
78.....	0.053991
79.....	0.060066
80.....	0.066696
81.....	0.073780
82.....	0.081217
83.....	0.088721
84.....	0.096358
85.....	0.104559
86.....	0.113755
87.....	0.124377
88.....	0.136537
89.....	0.149949
90.....	0.164442
91.....	0.179849
92.....	0.196001
93.....	0.213325
94.....	0.231936
95.....	0.251189
96.....	0.270441
97.....	0.289048
98.....	0.306750
99.....	0.323976
100.....	0.341116
101.....	0.358560
102.....	0.376699
103.....	0.396884
104.....	0.418855
105.....	0.440585
106.....	0.460043
107.....	0.475200
108.....	0.485670
109.....	0.492807
110.....	0.497189
111.....	0.499394
112.....	0.500000

113.....	0.500000
114.....	0.500000
115.....	0.500000
116.....	0.500000
117.....	0.500000
118.....	0.500000
119.....	0.500000
120.....	1.000000

TABLE 2 – PROJECTION SCALE AA FOR HEALTHY MALE PARTICIPANTS

Age x	AA _x
15.....	0.019
16.....	0.019
17.....	0.019
18.....	0.019
19.....	0.019
20.....	0.019
21.....	0.018
22.....	0.017
23.....	0.015
24.....	0.013
25.....	0.010
26.....	0.006
27.....	0.005
28.....	0.005
29.....	0.005
30.....	0.005
31.....	0.005
32.....	0.005
33.....	0.005
34.....	0.005
35.....	0.005
36.....	0.005
37.....	0.005
38.....	0.006
39.....	0.007
40.....	0.008
41.....	0.009
42.....	0.010

43.....	0.011
44.....	0.012
45.....	0.013
46.....	0.014
47.....	0.015
48.....	0.016
49.....	0.017
50.....	0.018
51.....	0.019
52.....	0.020
53.....	0.020
54.....	0.020
55.....	0.019
56.....	0.018
57.....	0.017
58.....	0.016
59.....	0.016
60.....	0.016
61.....	0.015
62.....	0.015
63.....	0.014
64.....	0.014
65.....	0.014
66.....	0.013
67.....	0.013
68.....	0.014
69.....	0.014
70.....	0.015
71.....	0.015
72.....	0.015
73.....	0.015
74.....	0.015
75.....	0.014
76.....	0.014
77.....	0.013
78.....	0.012
79.....	0.011
80.....	0.010
81.....	0.009
82.....	0.008
83.....	0.008
84.....	0.007
85.....	0.007
86.....	0.007

87.....	0.006
88.....	0.005
89.....	0.005
90.....	0.004
91.....	0.004
92.....	0.003
93.....	0.003
94.....	0.003
95.....	0.002
96.....	0.002
97.....	0.002
98.....	0.001
99.....	0.001
100.....	0.001
101.....	0.000
102.....	0.000
103.....	0.000
104.....	0.000
105.....	0.000
106.....	0.000
107.....	0.000
108.....	0.000
109.....	0.000
110.....	0.000
111.....	0.000
112.....	0.000
113.....	0.000
114.....	0.000
115.....	0.000
116.....	0.000
117.....	0.000
118.....	0.000
119.....	0.000
120.....	0.000

TABLE 3 – MORTALITY TABLE FOR HEALTHY FEMALE PARTICIPANTS (94 GAM BASIC)

Age x	q_x
15.....	0.000233
16.....	0.000261
17.....	0.000281
18.....	0.000293
19.....	0.000301
20.....	0.000305
21.....	0.000308
22.....	0.000311
23.....	0.000313
24.....	0.000313
25.....	0.000313
26.....	0.000316
27.....	0.000324
28.....	0.000338
29.....	0.000356
30.....	0.000377
31.....	0.000401
32.....	0.000427
33.....	0.000454
34.....	0.000482
35.....	0.000514
36.....	0.000550
37.....	0.000593
38.....	0.000643
39.....	0.000701
40.....	0.000763
41.....	0.000826
42.....	0.000888
43.....	0.000943
44.....	0.000992
45.....	0.001046
46.....	0.001111
47.....	0.001196
48.....	0.001297
49.....	0.001408
50.....	0.001536
51.....	0.001686

52.....	0.001864
53.....	0.002051
54.....	0.002241
55.....	0.002466
56.....	0.002755
57.....	0.003139
58.....	0.003612
59.....	0.004154
60.....	0.004773
61.....	0.005476
62.....	0.006271
63.....	0.007179
64.....	0.008194
65.....	0.009286
66.....	0.010423
67.....	0.011574
68.....	0.012648
69.....	0.013665
70.....	0.014763
71.....	0.016079
72.....	0.017748
73.....	0.019724
74.....	0.021915
75.....	0.024393
76.....	0.027231
77.....	0.030501
78.....	0.034115
79.....	0.038024
80.....	0.042361
81.....	0.047260
82.....	0.052853
83.....	0.058986
84.....	0.065569
85.....	0.072836
86.....	0.081018
87.....	0.090348
88.....	0.100882
89.....	0.112467
90.....	0.125016
91.....	0.138442
92.....	0.152660
93.....	0.167668
94.....	0.183524
95.....	0.200229

96.....	0.217783
97.....	0.236188
98.....	0.255605
99.....	0.276035
100.....	0.297233
101.....	0.318956
102.....	0.340960
103.....	0.364586
104.....	0.389996
105.....	0.415180
106.....	0.438126
107.....	0.456824
108.....	0.471493
109.....	0.483473
110.....	0.492436
111.....	0.498054
112.....	0.500000
113.....	0.500000
114.....	0.500000
115.....	0.500000
116.....	0.500000
117.....	0.500000
118.....	0.500000
119.....	0.500000
120.....	1.000000

TABLE 4 – PROJECTION SCALE AA FOR HEALTHY FEMALE PARTICIPANTS

Age x	AA _x
15.....	0.016
16.....	0.015
17.....	0.014
18.....	0.014
19.....	0.015
20.....	0.016
21.....	0.017
22.....	0.017
23.....	0.016
24.....	0.015
25.....	0.014

26.....	0.012
27.....	0.012
28.....	0.012
29.....	0.012
30.....	0.010
31.....	0.008
32.....	0.008
33.....	0.009
34.....	0.010
35.....	0.011
36.....	0.012
37.....	0.013
38.....	0.014
39.....	0.015
40.....	0.015
41.....	0.015
42.....	0.015
43.....	0.015
44.....	0.015
45.....	0.016
46.....	0.017
47.....	0.018
48.....	0.018
49.....	0.018
50.....	0.017
51.....	0.016
52.....	0.014
53.....	0.012
54.....	0.010
55.....	0.008
56.....	0.006
57.....	0.005
58.....	0.005
59.....	0.005
60.....	0.005
61.....	0.005
62.....	0.005
63.....	0.005
64.....	0.005
65.....	0.005
66.....	0.005
67.....	0.005
68.....	0.005
69.....	0.005

70.....	0.005
71.....	0.006
72.....	0.006
73.....	0.007
74.....	0.007
75.....	0.008
76.....	0.008
77.....	0.007
78.....	0.007
79.....	0.007
80.....	0.007
81.....	0.007
82.....	0.007
83.....	0.007
84.....	0.007
85.....	0.006
86.....	0.005
87.....	0.004
88.....	0.004
89.....	0.003
90.....	0.003
91.....	0.003
92.....	0.003
93.....	0.002
94.....	0.002
95.....	0.002
96.....	0.002
97.....	0.001
98.....	0.001
99.....	0.001
100.....	0.001
101.....	0.000
102.....	0.000
103.....	0.000
104.....	0.000
105.....	0.000
106.....	0.000
107.....	0.000
108.....	0.000
109.....	0.000
110.....	0.000
111.....	0.000
112.....	0.000
113.....	0.000

114.....	0.000
115.....	0.000
116.....	0.000
117.....	0.000
118.....	0.000
119.....	0.000
120.....	0.000

TABLE 5 - MORTALITY TABLE FOR SOCIAL SECURITY DISABLED MALE PARTICIPANTS

Age x	q _x
15.....	0.022010
16.....	0.022502
17.....	0.023001
18.....	0.023519
19.....	0.024045
20.....	0.024583
21.....	0.025133
22.....	0.025697
23.....	0.026269
24.....	0.026857
25.....	0.027457
26.....	0.028071
27.....	0.028704
28.....	0.029345
29.....	0.029999
30.....	0.030661
31.....	0.031331
32.....	0.032006
33.....	0.032689
34.....	0.033405
35.....	0.034184
36.....	0.034981
37.....	0.035796
38.....	0.036634
39.....	0.037493
40.....	0.038373
41.....	0.039272
42.....	0.040189
43.....	0.041122

44.....	0.042071
45.....	0.043033
46.....	0.044007
47.....	0.044993
48.....	0.045989
49.....	0.046993
50.....	0.048004
51.....	0.049021
52.....	0.050042
53.....	0.051067
54.....	0.052093
55.....	0.053120
56.....	0.054144
57.....	0.055089
58.....	0.056068
59.....	0.057080
60.....	0.058118
61.....	0.059172
62.....	0.060232
63.....	0.061303
64.....	0.062429
65.....	0.063669
66.....	0.065082
67.....	0.066724
68.....	0.068642
69.....	0.070834
70.....	0.073284
71.....	0.075979
72.....	0.078903
73.....	0.082070
74.....	0.085606
75.....	0.088918
76.....	0.092208
77.....	0.095625
78.....	0.099216
79.....	0.103030
80.....	0.107113
81.....	0.111515
82.....	0.116283
83.....	0.121464
84.....	0.127108
85.....	0.133262
86.....	0.139974
87.....	0.147292

88.....	0.155265
89.....	0.163939
90.....	0.173363
91.....	0.183585
92.....	0.194653
93.....	0.206615
94.....	0.219519
95.....	0.234086
96.....	0.248436
97.....	0.263954
98.....	0.280803
99.....	0.299154
100.....	0.319185
101.....	0.341086
102.....	0.365052
103.....	0.393102
104.....	0.427255
105.....	0.469531
106.....	0.521945
107.....	0.586518
108.....	0.665268
109.....	0.760215
110.....	1.000000

TABLE 6 – MORTALITY TABLE FOR SOCIAL SECURITY DISABLED FEMALE PARTICIPANTS

Age x	q _x
15.....	0.007777
16.....	0.008120
17.....	0.008476
18.....	0.008852
19.....	0.009243
20.....	0.009650
21.....	0.010076
22.....	0.010521
23.....	0.010984
24.....	0.011468
25.....	0.011974
26.....	0.012502
27.....	0.013057
28.....	0.013632

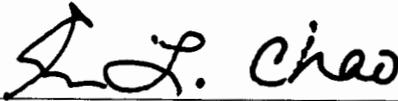
29.....	0.014229
30.....	0.014843
31.....	0.015473
32.....	0.016103
33.....	0.016604
34.....	0.017121
35.....	0.017654
36.....	0.018204
37.....	0.018770
38.....	0.019355
39.....	0.019957
40.....	0.020579
41.....	0.021219
42.....	0.021880
43.....	0.022561
44.....	0.023263
45.....	0.023988
46.....	0.024734
47.....	0.025504
48.....	0.026298
49.....	0.027117
50.....	0.027961
51.....	0.028832
52.....	0.029730
53.....	0.030655
54.....	0.031609
55.....	0.032594
56.....	0.033608
57.....	0.034655
58.....	0.035733
59.....	0.036846
60.....	0.037993
61.....	0.039176
62.....	0.040395
63.....	0.041653
64.....	0.042950
65.....	0.044287
66.....	0.045666
67.....	0.046828
68.....	0.048070
69.....	0.049584
70.....	0.051331
71.....	0.053268
72.....	0.055356

73.....	0.057573
74.....	0.059979
75.....	0.062574
76.....	0.065480
77.....	0.068690
78.....	0.072237
79.....	0.076156
80.....	0.080480
81.....	0.085243
82.....	0.090480
83.....	0.096224
84.....	0.102508
85.....	0.109368
86.....	0.116837
87.....	0.124948
88.....	0.133736
89.....	0.143234
90.....	0.153477
91.....	0.164498
92.....	0.176332
93.....	0.189011
94.....	0.202571
95.....	0.217045
96.....	0.232467
97.....	0.248870
98.....	0.266289
99.....	0.284758
100.....	0.303433

101.....	0.327385
102.....	0.359020
103.....	0.395842
104.....	0.438360
105.....	0.487816
106.....	0.545886
107.....	0.614309
108.....	0.694884
109.....	0.789474
110.....	1.000000

* * * * *

Issued in Washington, DC, this 25th day of November, 2005.



 Elaine L. Chao
 Chairman, Board of Directors
 Pension Benefit Guaranty Corporation

Issued on the date set forth above pursuant to a resolution of the Board of Directors authorizing its Chairman to issue this final rule.



 Judith R. Starr
 Secretary, Board of Directors
 Pension Benefit Guaranty Corporation