

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4044

Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits; Correction

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule; correction.

SUMMARY: This document corrects a final rule document published by the Pension Benefit Guaranty Corporation on July 15, 1999 (at 64 FR 38114). The rule prescribes interest assumptions for valuing benefits under terminating single-employer plans.

EFFECTIVE DATE: August 1, 1999.

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SUPPLEMENTARY INFORMATION: The PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes actuarial assumptions for valuing plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. Among the actuarial assumptions prescribed in part 4044 are interest assumptions. On July 15, 1999, the PBGC published in the **Federal Register** (at 64 FR 38114) a final rule amending the regulation to adopt interest assumptions for plans with valuation dates in August 1999. In that final rule document, the i_1 rate was erroneously published as 4.00 percent rather than 4.25 percent.

Accordingly, the final rule document is corrected as follows:

1. In the preamble, the last two sentences in the second full paragraph on page 38115 are corrected to read as follows: "For benefits to be paid as lump sums, the interest assumptions to be used by the PBGC will be 5.00 percent for the period during which a benefit is in pay status, 4.25 percent during the seven-year period directly preceding the benefit's placement in pay status, and 4.00 percent during any other years preceding the benefit's placement in pay status. The lump sum interest assumptions represent an increase (from those in effect for July 1999) of 0.50 percent for the period during which a benefit is in pay status and 0.25 percent for the seven years directly preceding that period; they are otherwise unchanged."

Appendix B to Part 4044 [Corrected]

2. On page 38115, the entry in Table II is corrected to read as follows:

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
*	*		*	*	*	*	*	*
70	08-1-99	09-1-99	5.00	4.25	4.00	4.00	7	8

Issued in Washington, DC on this 15th day of July 1999.

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Executive Director, Pension Benefit Guaranty Corporation.

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