

Pt. 4044

29 CFR Ch. XL (7-1-25 Edition)

this section a properly certified Form 200 that includes all required documentation and other information, as described in the related filing instructions. Notice is required whenever the unpaid balance of a contribution payment required under sections 302 and 303 of ERISA and sections 412 and 430 of the Code (including interest), when added to the aggregate unpaid balance of all preceding such payments for which payment was not made when due (including interest), exceeds \$1 million.

(1) Form 200 must be filed with PBGC no later than 10 days after the due date for any required payment for which payment was not made when due.

(2) If a contributing sponsor or the ultimate parent completes and submits Form 200 in accordance with this section, PBGC will consider the notification requirement in section 303(k)(4) of ERISA and section 430(k)(4) of the Code to be satisfied by all members of a controlled group of which the person who has filed Form 200 is a member.

(b) *Supplementary information.* If, upon review of a Form 200, PBGC concludes that it needs additional information in order to make decisions regarding enforcement of a lien imposed by section 303(k) of ERISA and section 430(k) of the Code, PBGC may require any member of the contributing sponsor's controlled group to supplement the Form 200 in accordance with §4043.3(d).

[80 FR 55002, Sept. 11, 2015, as amended at 85 FR 6064, Feb. 4, 2020]

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

Subpart A—Allocation of Assets

GENERAL PROVISIONS

Sec.

- 4044.1 Purpose and scope.
- 4044.2 Definitions.
- 4044.3 General rule.
- 4044.4 Violations.

ALLOCATION OF ASSETS TO BENEFIT CATEGORIES

- 4044.10 Manner of allocation.
- 4044.11 Priority category 1 benefits.
- 4044.12 Priority category 2 benefits.
- 4044.13 Priority category 3 benefits.

- 4044.14 Priority category 4 benefits.
- 4044.15 Priority category 5 benefits.
- 4044.16 Priority category 6 benefits.
- 4044.17 Subclasses.

ALLOCATION OF RESIDUAL ASSETS

4044.30 [Reserved]

Subpart B—Valuation of Benefits and Assets

GENERAL PROVISIONS

4044.41 General valuation rules.

TRUSTEED PLANS

- 4044.51 Benefits to be valued.
- 4044.52 Valuation of benefits.
- 4044.53 Mortality assumptions.
- 4044.54 Interest assumptions.

EXPECTED RETIREMENT AGE

- 4044.55 XRA when a participant must retire to receive a benefit.
- 4044.56 XRA when a participant need not retire to receive a benefit.
- 4044.57 Special rule for facility closing.
- 4044.58 Tables used to determine expected retirement age.

NON-TRUSTEED PLANS

- 4044.71 Valuation of annuity benefits.
- 4044.72 Form of annuity to be valued.
- 4044.73 Lump sums and other alternative forms of distribution in lieu of annuities.
- 4044.74 Withdrawal of employee contributions.
- 4044.75 Other lump sum benefits.

APPENDIX A TO PART 4044 [RESERVED]

APPENDIX B TO PART 4044—INTEREST RATES USED TO VALUE BENEFITS

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

SOURCE: 61 FR 34059, July 1, 1996, unless otherwise noted.

NOTE: Certain provisions of part 4044 have been superseded by legislative changes. For example, there are references to provisions formerly codified in 29 CFR part 2617, subpart C (and to the Notice of Sufficiency provided for thereunder) that no longer exist because of changes in the PBGC's plan termination regulations in response to the Single-Employer Pension Plan Amendments Act of 1986 and the Pension Protection Act of 1987. The PBGC intends to amend part 4044 at a later date to conform it to current statutory provisions.

Pension Benefit Guaranty Corporation

§ 4044.2

Subpart A—Allocation of Assets

GENERAL PROVISIONS

§ 4044.1 Purpose and scope.

This part implements section 4044 of ERISA, which contains rules for allocating a plan's assets when the plan terminates. These rules have been in effect since September 2, 1974, the date of enactment of ERISA. This part applies to any single-employer plan covered by title IV of ERISA that submits a notice of intent to terminate, or for which PBGC commences an action to terminate the plan under section 4042 of ERISA.

(a) *Subpart A.* Sections 4044.1 through 4044.4 set forth general rules for applying §§ 4044.10 through 4044.17. Sections 4044.10 through 4044.17 interpret the rules and describe procedures for allocating plan assets to priority categories 1 through 6.

(b) *Subpart B.* The purpose of subpart B is to establish the method of determining the value of benefits and assets under terminating single-employer pension plans covered by title IV of ERISA. This valuation is needed for both plans trustee under title IV and plans which are not trustee. For the former, the valuation is needed to allocate plan assets in accordance with subpart A of this part and to determine the amount of any plan asset insufficiency. For the latter, the valuation is needed to allocate assets in accordance with subpart A and to distribute the assets in accordance with subpart B of part 4041 of this chapter.

(1) Section 4044.41 sets forth the general provisions of subpart B and applies to all terminating single-employer plans. Sections 4044.51 through 4044.58 prescribe the benefit valuation rules for plans that are placed into trusteeship by PBGC, including (in §§ 4044.55 through 4044.58) the rules and procedures a plan administrator shall follow to determine the expected retirement age (XRA) for a plan participant entitled to early retirement benefits for whom the annuity starting date is not known as of the valuation date. This applies to all trustee plans which have such early retirement benefits. The plan administrator shall determine an XRA under § 4044.55, § 4044.56 or § 4044.57,

as appropriate, for each active participant or participant with a deferred vested benefit who is entitled to an early retirement benefit and who as of the valuation date has not selected an annuity starting date.

(2) Sections 4044.71 through 4044.75 prescribe the benefit valuation rules for calculating the value of a benefit to be paid a participant or beneficiary under a terminating pension plan that is distributing assets where the plan has not been placed into trusteeship by PBGC.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34605, June 14, 2011; 89 FR 48300, June 6, 2024]

§ 4044.2 Definitions.

(a) The following terms are defined in § 4001.2 of this chapter: annuity, bankruptcy filing date, basic-type benefit, Code, distribution date, earliest retirement age at valuation date, ERISA, expected retirement age (XRA), fair market value, guaranteed benefit, insurer, IRS, irrevocable commitment, majority owner, mandatory employee contributions, nonbasic-type benefit, non-forfeitable benefit, non-PPA 2006 bankruptcy termination, normal retirement age, notice of intent to terminate, PBGC, person, plan, plan administrator, single-employer plan, termination date, unreduced retirement age (URA), and voluntary employee contributions.

(b) For purposes of this part:

Deferred annuity means an annuity under which the specified date or age at which payments are to begin occurs after the valuation date.

Early retirement benefit means an annuity benefit payable under the terms of the plan, under which the participant is entitled to begin receiving payments before his or her normal retirement age and which is not payable on account of the disability of the participant. It may be reduced according to the terms of the plan.

Non-trusteed plan means a single-employer plan which is able to close out by purchasing annuities in the private sector

Priority category means one of the categories contained in sections 4044

§ 4044.3

(a)(1) through (a)(6) of ERISA that establish the order in which plan assets are to be allocated.

Trusteed plan means a single-employer plan which has been placed into trusteeship by PBGC.

Valuation date means (1) for non-trusteed plans, the date of distribution and (2) for trusteed plans, the termination date.

(c) For purposes of subpart B of this part (unless otherwise required by the context):

Age means the participant's age at his or her nearest birthday and is determined by rounding the individual's exact age to the nearest whole year. Half years are rounded to the next highest year. This is also known as the "insurance age."

(d) For purposes of §§ 4044.55 through 4044.58:

Monthly benefit means the guaranteed benefit payable by PBGC.

(e) For purposes of §§ 4044.71 through 4044.75:

Lump sum payable in lieu of an annuity means a benefit that is payable in a single installment and is derived from an annuity payable under the plan.

Other lump sum benefit means a benefit in priority category 5 or 6, determined under subpart A of this part, that is payable in a single installment (or substantially so) under the terms of the plan, and that is not derived from an annuity payable under the plan. The benefit may be a severance pay benefit, a death benefit or other single installment benefit.

[61 FR 34059, July 1, 1996, as amended at 67 FR 16959, Apr. 8, 2002; 74 FR 11035, Mar. 16, 2009; 76 FR 34605, June 14, 2011; 83 FR 49806, Oct. 3, 2018; 89 FR 48300, June 6, 2024]

§ 4044.3 General rule.

(a) *Asset allocation.* Upon the termination of a single-employer plan, the plan administrator shall allocate the plan assets available to pay for benefits under the plan in the manner prescribed by this subpart. Plan assets available to pay for benefits include all plan assets (valued according to § 4044.41(b)) remaining after the subtraction of all liabilities, other than liabilities for future benefit payments, paid or payable from plan assets under the provisions of the plan. Liabilities

29 CFR Ch. XL (7-1-25 Edition)

include expenses, fees and other administrative costs, and benefit payments due before the allocation date. Except as provided in § 4044.4(b), an irrevocable commitment by an insurer to pay a benefit, which commitment is in effect on the date of the asset allocation, is not considered a plan asset, and a benefit payable under such a commitment is excluded from the allocation process.

(b) *Allocation date.* For plans that close out under § 4041.28 or § 4041.50, assets shall be allocated as of the date plan assets are to be distributed. For other plans, assets shall be allocated as of the termination date.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34605, June 14, 2011]

§ 4044.4 Violations.

(a) *General.* A plan administrator violates ERISA if plan assets are allocated or distributed upon plan termination in a manner other than that prescribed in section 4044 of ERISA and this subpart, except as may be required to prevent disqualification of the plan under the Code and regulations thereunder.

(b) *Distributions in anticipation of termination.* A distribution, transfer, or allocation of assets to a participant or to an insurance company for the benefit of a participant, made in anticipation of plan termination, is considered to be an allocation of plan assets upon termination, and is covered by paragraph (a) of this section. In determining whether a distribution, transfer, or allocation of assets has been made in anticipation of plan termination PBGC will consider all of the facts and circumstances including—

(1) Any change in funding or operation procedures;

(2) Past practice with regard to employee requests for forms of distribution;

(3) Whether the distribution is consistent with plan provisions; and

(4) Whether an annuity contract that provides for a cutback based on the guarantee limits in subpart B of part 4022 of this chapter could have been purchased from an insurance company.

Pension Benefit Guaranty Corporation

§ 4044.10

ALLOCATION OF ASSETS TO BENEFIT CATEGORIES

§ 4044.10 Manner of allocation.

(a) *General.* The plan administrator shall allocate plan assets available to pay for benefits under the plan using the rules and procedures set forth in paragraphs (b) through (f) of this section, or any other procedure that results in each participant (or beneficiary) receiving the same benefits he or she would receive if the procedures in paragraphs (b) through (f) were followed.

(b) *Assigning benefits.* The basic-type and nonbasic-type benefits payable with respect to each participant in a terminated plan shall be assigned to one or more priority categories in accordance with §§ 4044.11 through 4044.16. Benefits derived from voluntary employee contributions, which are assigned only to priority category 1, are treated, under section 204(c)(4) of ERISA and section 411(d)(5) of the Code, as benefits under a separate plan. The amount of a benefit payable with respect to each participant shall be determined as of the termination date, but, in a PPA 2006 bankruptcy termination, subject to the limitations in sections 4022(g) and 4044(e) of ERISA (and corresponding provisions of these regulations).

(c) *Valuing benefits.* The value of a participant's benefit or benefits assigned to each priority category shall be determined, as of the allocation date, in accordance with the provisions of subpart B of this part. The value of each participant's basic-type benefit or benefits in a priority category shall be reduced by the value of the participant's benefit of the same type that is assigned to a higher priority category. Except as provided in the next two sentences, the same procedure shall be followed for nonbasic-type benefits. The value of a participant's nonbasic-type benefits in priority categories 3, 5, and 6 shall not be reduced by the value of the participant's nonbasic-type benefit assigned to priority category 2. Benefits in priority category 1 shall neither be included in nor subtracted from lower priority categories. In no event shall a benefit assigned to a priority category be valued at less than zero.

(d) *Allocating assets to priority categories.* Plan assets available to pay for benefits under the plan shall be allocated to each priority category in succession, beginning with priority category 1. If the plan has sufficient assets to pay for all benefits in a priority category, the remaining assets shall then be allocated to the next lower priority category. This process shall be repeated until all benefits in priority categories 1 through 6 have been provided or until all available plan assets have been allocated.

(e) *Allocating assets within priority categories.* Except for priority categories 4 and 5, if the plan assets available for allocation to any priority category are insufficient to pay for all benefits in that priority category, those assets shall be distributed among the participants according to the ratio that the value of each participant's benefit or benefits in that priority category bears to the total value of all benefits in that priority category. If the plan assets available for allocation to priority category 4 are insufficient to pay for all benefits in that category, the assets shall be allocated, first, to the value of all participants' nonforfeitable benefits that would be assigned to priority category 4 other than those impacted by the majority-owner limitation under § 4022.26 of this chapter. If assets available for allocation to priority category 4 are sufficient to fully satisfy the value of those other benefits, the remaining assets shall then be allocated to the value of the benefits that would be guaranteed but for the majority-owner limitation. These remaining assets shall be distributed among the majority owners according to the ratio that the value of each majority owner's benefit that would be guaranteed but for the majority-owner limitation bears to the total value of all benefits that would be guaranteed but for the majority-owner limitation. If the plan assets available for allocation to priority category 5 are insufficient to pay for all benefits in that category, the assets shall be allocated, first, to the value of each participant's nonforfeitable benefits that would be assigned to priority category 5 under § 4044.15 after reduction for the value of benefits assigned to higher priority categories,

§ 4044.11

based only on the provisions of the plan in effect at the beginning of the five-year period immediately preceding the termination date. If assets available for allocation to priority category 5 are sufficient to fully satisfy the value of those benefits, assets shall then be allocated to the value of the benefit increase under the oldest amendment during the five-year period immediately preceding the termination date, reduced by the value of benefits assigned to higher priority categories (including higher subcategories in priority category 5). This allocation procedure shall be repeated for each succeeding plan amendment within the five-year period until all plan assets available for allocation have been exhausted. If an amendment decreased benefits, amounts previously allocated with respect to each participant in excess of the value of the reduced benefit shall be reduced accordingly. In the subcategory in which assets are exhausted, the assets shall be distributed among the participants according to the ratio that the value of each participant's benefit or benefits in that subcategory bears to the total value of all benefits in that subcategory.

(f) *Applying assets to basic-type or nonbasic-type benefits within priority categories.* The assets allocated to a participant's benefit or benefits within each priority category shall first be applied to pay for the participant's basic-type benefit or benefits assigned to that priority category. Any assets allocated on behalf of that participant remaining after satisfying the participant's basic-type benefit or benefits in that priority category shall then be applied to pay for the participant's nonbasic-type benefit or benefits assigned to that priority category. If the assets allocable to a participant's basic-type benefit or benefits in all priority categories are insufficient to pay for all of the participant's guaranteed benefits, the assets allocated to that participant's benefit in priority category 4 shall be applied, first, to the guaranteed portion of the participant's benefit in priority category 4. The remaining assets allocated to that participant's benefit in priority category 4, if any, shall be applied to the non-

29 CFR Ch. XL (7-1-25 Edition)

guaranteed portion of the participant's benefit.

(g) *Allocation to established subclasses.* Notwithstanding paragraphs (e) and (f) of this section, the assets of a plan that has established subclasses within any priority category may be allocated to the plan's subclasses in accordance with the rules set forth in § 4044.17.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34605, June 14, 2011; 83 FR 49806, Oct. 3, 2018]

§ 4044.11 Priority category 1 benefits.

(a) *Definition.* The benefits in priority category 1 are participants' accrued benefits derived from voluntary employee contributions.

(b) *Assigning benefits.* Absent an election described in the next sentence, the benefit assigned to priority category 1 with respect to each participant is the balance of the separate account maintained for the participant's voluntary contributions. If a participant has elected to receive an annuity in lieu of his or her account balance, the benefit assigned to priority category 1 with respect to that participant is the present value of that annuity.

§ 4044.12 Priority category 2 benefits.

(a) *Definition.* The benefits in priority category 2 are participants' accrued benefits derived from mandatory employee contributions, whether to be paid as an annuity benefit with a pre-retirement death benefit that returns mandatory employee contributions or, if a participant so elects under the terms of the plan and subpart A of part 4022 of this chapter, as a lump sum benefit. Benefits are primarily basic-type benefits although nonbasic-type benefits may also be included as follows:

(1) *Basic-type benefits.* The basic-type benefit in priority category 2 with respect to each participant is the sum of the values of the annuity benefit and the pre-retirement death benefit determined under the provisions of paragraph (c)(1) of this section.

(2) *Nonbasic-type benefits.* If a participant elects to receive a lump sum benefit and if the value of the lump sum benefit exceeds the value of the basic-

Pension Benefit Guaranty Corporation

§ 4044.12

type benefit in priority category 2 determined with respect to the participant, the excess is a nonbasic-type benefit. There is no nonbasic-type benefit in priority category 2 for a participant who does not elect to receive a lump sum benefit.

(b) *Conversion of mandatory employee contributions to an annuity benefit.* Subject to the limitation set forth in paragraph (b)(3) of this section, a participant's accumulated mandatory employee contributions shall be converted to an annuity form of benefit payable at the normal retirement age or, if the plan provides for early retirement, at the expected retirement age. The conversion shall be made using the interest rates and factors specified in paragraph (b)(2) of this section. The form of the annuity benefit (e.g., straight life annuity, joint and survivor annuity, cash refund annuity, etc.) is the form that the participant or beneficiary is entitled to on the termination date. If the participant does not have a nonforfeitable right to a benefit, other than the return of his or her mandatory contributions in a lump sum, the annuity form of benefit is the form the participant would be entitled to if the participant had a nonforfeitable right to an annuity benefit under the plan on the termination date.

(1) *Accumulated mandatory employee contributions.* Subject to any addition for the cost of ancillary benefits plus interest, as provided in the following sentence, the amount of the accumulated mandatory employee contributions for each participant is the participant's total nonforfeitable mandatory employee contributions remaining in the plan on the termination date plus interest, if any, under the plan provisions. Mandatory employee contributions, if any, used after the effective date of the minimum vesting standards in section 203 of ERISA and section 411 of the Code for costs or to provide ancillary benefits such as life insurance or health insurance, plus interest under the plan provisions, shall be added to the contributions that remain in the plan to determine the accumulated mandatory employee contributions.

(2) *Interest rates and conversion factors.* The interest rates and conversion fac-

tors used in the administration of the plan shall be used to convert a participant's accumulated mandatory contributions to the annuity form of benefit. In the absence of plan rules and factors, the interest rates and conversion factors established by the IRS for allocation of accrued benefits between employer and employee contributions under the provisions of section 204(c) of ERISA and section 411(c) of the Code shall be used.

(3) *Minimum accrued benefit.* The annuity benefit derived from mandatory employee contributions may not be less than the minimum accrued benefit under the provisions of section 204(c) of ERISA and section 411(c) of the Code.

(4) *Rollover amounts.* In the case of a benefit resulting from rollover amounts, notwithstanding the provisions of paragraph (b)(2) of this section, the interest rates and conversion factors in paragraph (c)(4) of this section are used to determine the portion of the accrued benefit derived from the employee's contributions and, if any, the portion of the accrued benefit derived from employer contributions.

(c) *Assigning benefits.* If a participant or beneficiary elects to receive a lump sum benefit, his or her benefit shall be determined under paragraph (c)(2) of this section. Otherwise, the benefits with respect to a participant shall be determined under paragraph (c)(1) of this section.

(1) *Annuity benefit and pre-retirement death benefit.* The annuity benefit and the pre-retirement death benefit assigned to priority category 2 with respect to a participant are determined as follows:

(i) The annuity benefit is the benefit computed under paragraph (b) of this section.

(ii) Except for adjustments necessary to meet the minimum lump sum requirements as hereafter provided, the pre-retirement death benefit is the benefit under the plan that returns all or a portion of the participant's mandatory employee contributions upon the death of the participant before retirement. A benefit that became payable in a single installment (or substantially so) because the participant died before the termination date is a liability of the plan within the meaning

§ 4044.13

of § 4044.3(a) and should not be assigned to priority category 2. A benefit payable upon a participant's death that is included in the annuity form of the benefit derived from mandatory employee contributions (e.g., the survivor's portion of a joint and survivor annuity or the cash refund portion of a cash refund annuity) is assigned to priority category 2 as part of the annuity benefit under paragraph (c)(1)(i) of this section and is not assigned as a death benefit. The pre-retirement death benefit may not be less than the minimum lump sum required upon withdrawal of mandatory employee contributions by the IRS under section 204(c) of ERISA and section 411(c) of the Code.

(2) *Lump sum benefit.* Except for adjustments necessary to meet the minimum lump sum requirements as hereafter provided, if a participant elects to receive a lump sum benefit under the provisions of the plan, the amount of the benefit that is assigned to priority category 2 with respect to the participant is—

(i) The combined value of the annuity benefit and the pre-retirement death benefit determined according to paragraph (c)(1) (which constitutes the basic-type benefit) plus

(ii) The amount, if any, of the participant's accumulated mandatory employee contributions that exceeds the combined value of the annuity benefit and the pre-retirement death benefit (which constitutes the nonbasic-type benefit), but not more than

(iii) The amount of the participant's accumulated mandatory contributions.

(3) For purposes of paragraph (c)(2) of this section, accumulated mandatory contributions means the contributions with interest, if any, payable under plan provisions to the participant or beneficiary on termination of the plan or, in the absence of such provisions, the amount that is payable if the participant withdrew his or her contributions on the termination date. The lump sum benefit may not be less than the minimum lump required by the IRS under section 204(c) of ERISA and section 411(c) of the Code upon withdrawal of mandatory employee contributions.

(4) *Special rules for benefit resulting from rollover amounts—(i) Mandatory employee contributions.* Notwithstanding

paragraphs (c)(1) through (3) of this section, in the case of a benefit resulting from rollover amounts, the accrued benefit derived from mandatory employee contributions is determined using the interest rates and conversion factors under section 411(c)(2)(B) and (C) of the Code for purposes of computing an employee's accrued benefit derived from the employee's contributions. The annuity benefit and the pre-retirement death benefit, as determined on this basis, is the benefit resulting from rollover amounts in priority category 2.

(ii) *Employer contributions.* Any portion of a participant's accrued benefit resulting from rollover amounts that is in excess of the accrued benefit derived from mandatory employee contributions determined in accordance with paragraph (c)(4)(i) of this section (*i.e.*, the accrued benefit derived from employer contributions) is a guaranteeable benefit in priority category 3, priority category 4, or priority category 5, as applicable under this part.

[61 FR 34059, July 1, 1996, as amended at 79 FR 70095, Nov. 25, 2014]

§ 4044.13 Priority category 3 benefits.

(a) *Definition.* The benefits in priority category 3 are those annuity benefits that were in pay status before the beginning of the 3-year period ending on the termination date, and those annuity benefits that could have been in pay status (then or as of the next payment date under the plan's rules for starting benefit payments) for participants who, before the beginning of the 3-year period ending on the termination date, had reached their Earliest PBGC Retirement Date (as determined under § 4022.10 of this chapter) based on plan provisions in effect on the day before the beginning of the 3-year period ending on the termination date. For example, in a plan with a termination date of September 1, 2012, the benefits in priority category 3 are those annuity benefits that were in pay status on or before September 1, 2009, and those annuity benefits that could have been in pay status for participants who, on or before September 1, 2009, had reached their Earliest PBGC Retirement Date based on plan provisions in

Pension Benefit Guaranty Corporation

§ 4044.13

effect on September 1, 2009. Benefit increases, as defined in § 4022.2, that were in effect throughout the 5-year period ending on the termination date, including automatic benefit increases during that period to the extent provided in paragraph (b)(5) of this section, shall be included in determining the priority category 3 benefit. For example, in a plan with a termination date of September 1, 2012, a benefit increase that was in effect throughout the 5-year period from September 2, 2007, to September 1, 2012, is included in priority category 3. Benefits are primarily basic-type benefits, although nonbasic-type benefits will be included if any portion of a participant's priority category 3 benefit is not guaranteeable under the provisions of subpart A of part 4022 and § 4022.21 of this chapter.

(b) *Assigning benefits.* The annuity benefit that is assigned to priority category 3 with respect to each participant is the lowest annuity that was paid or payable under the rules in paragraphs (b)(2) through (b)(6) of this section.

(1) *Eligibility of participants and beneficiaries.* A participant or beneficiary is eligible for a priority category 3 benefit if either of the following applies:

(i) The participant's (or beneficiary's) benefit was in pay status before the beginning of the 3-year period ending on the termination date.

(ii) Before the beginning of the 3-year period ending on the termination date, the participant was eligible for an annuity benefit that could have been in pay status and had reached his or her Earliest PBGC Retirement Date (as determined in § 4022.10 of this chapter, based on plan provisions in effect on the day before the beginning of the 3-year period ending on the termination date). Whether a participant was eligible to receive an annuity before the beginning of the 3-year period shall be determined using the plan provisions in effect on the day before the beginning of the 3-year period.

(iii) If a participant described in either of the preceding two paragraphs died during the 3-year period ending on the date of the plan termination and his or her beneficiary is entitled to an annuity, the beneficiary is eligible for a priority category 3 benefit.

(2) *Plan provisions governing determination of benefit.* In determining the amount of the priority category 3 annuity with respect to a participant, the plan administrator shall use the participant's age, service, actual or expected retirement age, and other relevant facts as of the following dates:

(i) Except as provided in paragraph (b)(3), for a participant or beneficiary whose benefit was in pay status before the beginning of the 3-year period ending on the termination date, the priority category 3 benefit shall be determined according to plan provisions in effect on the date the benefit commenced. The form of annuity elected by a retiree is considered the normal form of annuity for that participant.

(ii) Except as provided in paragraph (b)(3), for a participant who was eligible to receive an annuity before the beginning of the 3-year period ending on the termination date but whose benefit was not in pay status, the priority category 3 benefit and the normal form of annuity shall be determined according to plan provisions in effect on the day before the beginning of the 3-year period ending on the termination date as if the benefit had commenced at that time.

(3) *General benefit limitations.* The general benefit limitation is determined as follows:

(i) If a participant's benefit was in pay status before the beginning of the 3-year period, the benefit assigned to priority category 3 with respect to that participant is limited to the lesser of the lowest annuity benefit in pay status during the 3-year period ending on the termination date and the lowest annuity benefit payable under the plan provisions at any time during the 5-year period ending on the termination date.

(ii) Unless a benefit was in pay status before the beginning of the 3-year period ending on the termination date, the benefit assigned to priority category 3 with respect to a participant is limited to the lowest annuity benefit payable under the plan provisions, including any reduction for early retirement, at any time during the 5-year period ending on the termination date. If

the annuity form of benefit under a formula that appears to produce the lowest benefit differs from the normal annuity form for the participant under paragraph (b)(2)(ii) of this section, the benefits shall be compared after the differing form is converted to the normal annuity form, using plan factors. In the absence of plan factors, the factors in subpart B of part 4022 of this chapter shall be used.

(iii) For purposes of this paragraph, if a terminating plan has been in effect less than five years on the termination date, computed in accordance with paragraph (b)(6) of this section, the lowest annuity benefit under the plan during the 5-year period ending on the termination date is zero. If the plan is a successor to a previously established defined benefit plan within the meaning of section 4021(a) of ERISA, the time it has been in effect will include the time the predecessor plan was in effect.

(4) *Determination of beneficiary's benefit.* If a beneficiary is eligible for a priority category 3 benefit because of the death of a participant during the 3-year period ending on the termination date, the benefit assigned to priority category 3 for the beneficiary shall be determined as if the participant had died the day before the 3-year period began.

(5) *Automatic benefit increases.* If plan provisions adopted and effective on or before the first day of the 5-year period ending on the termination date provided for automatic increases in the benefit formula for both active participants and those in pay status or for participants in pay status only, the lowest annuity benefit payable during the 5-year period ending on the termination date determined under paragraph (b)(3) of this section includes the automatic increases scheduled during the fourth and fifth years preceding termination, subject to the restriction that benefit increases for active participants in excess of the increases for retirees shall not be taken into account.

(6) *Computation of time periods.* For purposes of this section, a plan or amendment is “in effect” on the later of the date on which it is adopted or the date it becomes effective.

(c) *PPA 2006 bankruptcy termination.* In a PPA 2006 bankruptcy termination:

(1) For purposes of this paragraph (c), “applicable pre-termination period” means the period—

(i) Beginning on the first day of the 5-year period ending on the bankruptcy filing date; and

(ii) Ending on the termination date. For example, if the bankruptcy filing date is January 15, 2008, and the termination date is March 22, 2009, the applicable pre-termination period is the period beginning on January 16, 2003, and ending on March 22, 2009.

(2) “Applicable pre-termination period” is substituted for “5-year period ending on the termination date” each place that “5-year period ending on the termination date” appears in paragraphs (a) and (b) of this section.

(3) Except as provided in paragraph (a)(2) of this section, “bankruptcy filing date” is substituted for “termination date” and “date of the plan termination” each place that “termination date” and “date of the plan termination” appear in paragraphs (a) and (b) of this section. In paragraph (b)(5) of this section, “the bankruptcy filing date” is substituted for “termination” in the phrase “during the fourth and fifth years preceding termination.”

(4) Example: A plan provides for normal retirement at age 65 and has only one early retirement benefit: a subsidized early retirement benefit for participants who terminate employment on or after age 60 with 20 years of service. These plan provisions have been unchanged since 1990. The contributing sponsor of the plan files a bankruptcy petition in June 2008, and the plan terminates during the bankruptcy with a termination date in September 2010. A participant retired in July 2007, at which time he was age 60 and had 20 years of service, and began receiving the subsidized early retirement benefit. The participant has no benefit in priority category 3, because he was not eligible to retire three or more years before the June 2008 bankruptcy filing date.

[61 FR 34059, July 1, 1996, as amended at 62 FR 67729, Dec. 30, 1997; 67 FR 16959, Apr. 8, 2002; 67 FR 38003, May 31, 2002; 76 FR 34605, June 14, 2011]

Pension Benefit Guaranty Corporation

§ 4044.41

§ 4044.14 Priority category 4 benefits.

The benefits assigned to priority category 4 with respect to each participant are the participant's guaranteed benefits, except as provided in the next sentence. The benefit assigned to priority category 4 with respect to a participant is not limited by the aggregate benefits limitations set forth in § 4022B.1 of this chapter for individuals who are participants in more than one plan or by the guarantee limitation applicable to majority owners set forth in § 4022.26.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34606, June 14, 2011; 83 FR 49806, Oct. 3, 2018]

§ 4044.15 Priority category 5 benefits.

The benefits assigned to priority category 5 with respect to each participant are all of the participant's nonforfeitable benefits under the plan.

§ 4044.16 Priority category 6 benefits.

The benefits assigned to priority category 6 with respect to each participant are all of the participant's benefits under the plan, whether forfeitable or nonforfeitable.

§ 4044.17 Subclasses.

(a) *General rule.* A plan may establish one or more subclasses within any priority category, other than priority categories 1 and 2, which subclasses will govern the allocation of assets within that priority category. The subclasses may be based only on a participant's longer service, older age, or disability, or any combination thereof.

(b) *Limitation.* Except as provided in paragraph (c) of this section, whenever the allocation within a priority category on the basis of the subclasses established by the plan increases or decreases the cumulative amount of assets that otherwise would be allocated to guaranteed benefits, the assets so shifted shall be reallocated to other participants' benefits within the priority category in accordance with the subclasses.

(c) *Exception for subclasses in effect on September 2, 1974.* A plan administrator may allocate assets to subclasses within any priority category, other than priority categories 1 and 2, without re-

gard to the limitation in paragraph (b) of this section if, on September 2, 1974, the plan provided for allocation of plan assets upon termination of the plan based on a participant's longer service, older age, or disability, or any combination thereof, and—

(1) Such provisions are still in effect; or

(2) The plan, if subsequently amended to modify or remove those subclasses, is re-amended to re-establish the same subclasses on or before July 28, 1981.

(d) *Discrimination under Code.* Notwithstanding the provisions of paragraphs (a) through (c) of this section, allocation of assets to subclasses established under this section is permitted only to the extent that the allocation does not result in discrimination prohibited under the Code and regulations thereunder.

ALLOCATION OF RESIDUAL ASSETS

§ 4044.30 [Reserved]

Subpart B—Valuation of Benefits and Assets

GENERAL PROVISIONS

§ 4044.41 General valuation rules.

(a) *Valuation of benefits—(1) Trusteed plans.* The plan administrator of a plan that has been or will be placed into trusteeship by the PBGC shall value plan benefits in accordance with §§ 4044.51 through 4044.58.

(2) *Non-trusteed plans.* The plan administrator of a non-trusteed plan shall value plan benefits in accordance with §§ 4044.71 through 4044.75. If a plan is unable to satisfy all benefits assigned to priority categories 1 through 4 on the distribution date, the PBGC will place it into trusteeship and the plan administrator shall re-value the benefits in accordance with §§ 4044.51 through 4044.58.

(b) *Valuation of assets.* Plan assets generally will be valued at their fair market value as defined in § 4001.2 of this chapter. As appropriate, plan assets will be valued at their fair value in accordance with accounting principles

§ 4044.51

generally accepted in the United States of America (U.S. GAAP).

[61 FR 34059, July 1, 1996, as amended at 76 FR 34606, June 14, 2011; 88 FR 44052, July 11, 2023; 89 FR 48300, June 6, 2024]

TRUSTEED PLANS

§ 4044.51 Benefits to be valued.

(a) *Form of benefit.* The plan administrator shall determine the form of each benefit to be valued in accordance with the following rules:

(1) If a benefit is in pay status as of the valuation date, the plan administrator shall value the form of the benefit being paid.

(2) If a benefit is not in pay status as of the valuation date but a valid election with respect to the form of benefit has been made on or before the valuation date, the plan administrator shall value the form of benefit so elected.

(3) If a benefit is not in pay status as of the valuation date and no valid election with respect to the form of benefit has been made on or before the valuation date, the plan administrator shall value the form of benefit that, under the terms of the plan, is payable in the absence of a valid election.

(b) *Timing of benefit.* The plan administrator shall value benefits whose starting date is subject to election using the assumption specified in paragraph (b)(1) or (b)(2) of this section.

(1) *Where election made.* If a valid election of the starting date of a benefit has been made on or before the valuation date, the plan administrator shall assume that the starting date of the benefit is the starting date so elected.

(2) *Where no election made.* If no valid election of the starting date of a benefit has been made on or before the valuation date, the plan administrator shall assume that the starting date of the benefit is the later of—

(i) The expected retirement age, as determined under §§ 4044.55 through 4044.58, of the participant with respect to whom the benefit is payable, or

(ii) The valuation date.

[61 FR 34059, July 1, 1996, as amended at 89 FR 48300, June 6, 2024]

29 CFR Ch. XL (7–1–25 Edition)

§ 4044.52 Valuation of benefits.

The plan administrator shall value all benefits as of the valuation date by—

(a) Using the mortality assumptions prescribed by § 4044.53 and the interest assumptions prescribed by § 4044.54;

(b) Using interpolation methods, where necessary, at least as accurate as linear interpolation;

(c) Using valuation formulas that accord with generally accepted actuarial principles and practices; and

(d) Adding an expense loading charge determined in accordance with this paragraph (d) to the total value of benefits.

(1) *Expense loading charge.* The expense loading charge equals the applicable inflation multiplier determined in accordance with paragraph (d)(2) of this section multiplied by the sum of—

(i) Four hundred dollars (\$400) multiplied by the lesser of the applicable participant count and 100, and

(ii) Two hundred-fifty dollars (\$250) multiplied by the excess, if any, of the applicable participant count over 100.

(2) *Applicable inflation multiplier.* Except as provided in the next sentence, the applicable inflation multiplier equals the value of the CPI-U for September of the year preceding the year containing the valuation date divided by 296.808 (the value of the CPI-U for September of 2022), but not less than 1. However, for a valuation date on any day in January except the 31st, the applicable inflation multiplier is determined as if the valuation date were December 31 of the year preceding the year containing the valuation date. The term “CPI-U” means the Consumer Price Index for All Urban Consumers, not seasonally adjusted as published by the Bureau of Labor Statistics of the Department of Labor.

(3) *Rounding.* Any expense loading charge determined in accordance with this paragraph (d) which is not a multiple of \$1.00 is rounded to the nearest dollar.

[65 FR 14753, Mar. 17, 2000, as amended at 70 FR 72207, Dec. 2, 2005; 89 FR 48300, June 6, 2024]

§ 4044.53 Mortality assumptions.

(a) *General rule.* Subject to paragraph (b) of this section (regarding certain

Pension Benefit Guaranty Corporation

§ 4044.53

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—(1) In general.* If the individual is not disabled under paragraph (f) of this section, the plan administrator must value the benefit using generational mortality tables described in this paragraph (c).

(i) *Construction of generational mortality tables.* The generational mortality tables in this paragraph (c) are constructed from the base mortality tables described in paragraph (c)(1)(ii) of this section and the mortality improvement rates described in paragraph (c)(1)(iii) of this section.

(ii) *Base mortality tables.* The base mortality tables are set forth in paragraph (c)(5) of this section. The base year for those tables is 2012.

(iii) *Mortality improvement rates.* The mortality improvement rates are the Scale MP–2021 Rates described in the Mortality Improvement Scale MP–2021 Report.

(iv) *Incorporation by reference.* The Mortality Improvement Scale MP–2021 Report, October 2021 is incorporated by reference into this section with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. This incorporation by reference (IBR) material is available for inspection at PBGC and at the National Archives and Records Administration (NARA). Contact PBGC at: Disclosure Division, Office of the General Counsel, Pension Benefit Guaranty

Corporation; 445 12th Street SW, Washington, DC 20024; 202–326–4040. For information on the availability of this material at NARA, visit www.archives.gov/federal-register/cfr/ibr-locations.html or email fr.inspection@nara.gov. The material may be obtained from the Society of Actuaries at: Society of Actuaries, 475 N. Martingale Rd., Suite 600, Schaumburg, IL 60173; (847) 706–3500; <https://www.soa.org/resources/experience-studies/2021/mortality-improvement-scale-mp-2021>.

(2) *Application of mortality improvement rates—(i) In general.* Under the generational mortality tables described in this paragraph (c), the probability of an individual's death at a particular age in the future is determined as the individual's base mortality rate that applies at that age (that is, the applicable mortality rate from the tables set forth in paragraph (c)(5) of this section for that age, gender, and status as an annuitant or a non-annuitant) multiplied by the cumulative mortality improvement factor for the individual's gender and for that age for the period from 2012 through the calendar year in which the individual is projected to reach the particular age. Paragraph (c)(3) of this section provides an example that illustrates how the base mortality tables in paragraph (c)(5) of this section and the Scale MP–2021 mortality improvement rates are combined to determine projected mortality rates.

(ii) *Cumulative mortality improvement factor.* The cumulative mortality improvement factor for an age and gender for a period is the product of the annual mortality improvement factors for that age and gender for each year within that period.

(iii) *Annual mortality improvement factor.* The annual mortality improvement factor for an age and gender for a year is 1 minus the mortality improvement rate that applies for that age and gender for that year. If that annual mortality improvement rate is greater than 1 (corresponding to a negative mortality improvement rate), then the projected mortality rate for that age and gender for that year is greater than the projected mortality rate for

the same age and gender for the preceding year.

(3) *Example of calculation using scale MP-2021 rates*—(i) *Calculation of mortality rate.* The mortality rate that is applied to male annuitants who are age 67 in 2024 is equal to the product of the mortality rate for 2012 that applied to male annuitants who were age 67 in

2012 (0.01288) and the cumulative mortality improvement factor for age 67 males from 2012 to 2024. The cumulative mortality improvement factor for age 67 males for the period from 2012 to 2024 is 0.9867, and the mortality rate for 2024 for male annuitants who are age 67 in that year would be 0.01271, as shown in the following table.

TABLE 1 TO PARAGRAPH (C)(3)(I)—EXAMPLE MORTALITY RATE CALCULATION

Calendar year	Scale MP-2021 mortality improvement rate	Annual mortality improvement factor (1-mortality improvement rate)	Cumulative mortality improvement factor	Mortality rate
2012	n/a	n/a	n/a	0.01288
2013	0.0052	0.9948	0.9948	
2014	0.0027	0.9973	0.9921	
2015	0.0009	0.9991	0.9912	
2016	(0.0003)	1.0003	0.9915	
2017	(0.0010)	1.0010	0.9925	
2018	(0.0016)	1.0016	0.9941	
2019	(0.0016)	1.0016	0.9957	
2020	(0.0010)	1.0010	0.9967	
2021	0.0000	1.0000	0.9967	
2022	0.0015	0.9985	0.9952	
2023	0.0033	0.9967	0.9919	
2024	0.0052	0.9948	0.9867	0.01271

(ii) *Probability of survival for an individual.* After the projected mortality rates are derived for each age for each year, the rates are used to calculate the present value of a benefit stream that depends on the probability of survival year-by-year. For example, using the Scale MP-2021 rates, for purposes of calculating the present value of future payments in a benefit stream payable for a male annuitant who is age 67 in 2024, the probability of survival for the annuitant is based on the mortality rate for a male annuitant who is age 67 in 2024 (0.01271), and the projected mortality rate for a male annuitant who will be age 68 in 2025 (0.01369), age 69 in 2026 (0.01478), and so on.

(4) *Use of the tables*—(i) *Separate tables for annuitants and non-annuitants.* Separate mortality tables are provided for use for annuitants and non-annuitants. The non-annuitant mortality tables are applied to determine the probability of survival for a non-annuitant for the period before the non-annuitant is projected to commence receiving benefits. The annuitant mortality tables are applied to determine the present value of benefits for each annu-

itant. In addition, the annuitant mortality tables are applied for each non-annuitant with respect to each assumed commencement of benefits for the period beginning with that assumed commencement. For purposes of this section, an annuitant means a plan participant who has commenced receiving benefits, and a non-annuitant means a plan participant who has not yet commenced receiving benefits (for example, an active employee or a terminated vested participant). A participant whose benefit has partially commenced is treated as an annuitant for the portion of the benefit that has commenced and treated as a non-annuitant for the balance of the benefit. In addition, for a beneficiary of a participant, the annuitant mortality tables apply for the period beginning with each assumed commencement of benefits for the participant. If the participant has died (or to the extent the participant is assumed to die before commencing benefits), the annuitant mortality tables apply with respect to the beneficiary for the period beginning with each assumed commencement of benefits for the beneficiary.

Pension Benefit Guaranty Corporation

§ 4044.53

(ii) *Examples of calculation using separate non-annuitant and annuitant tables.* For a 45-year-old active participant who is projected to commence receiving an annuity at age 55, benefit liabilities are determined using the non-annuitant mortality tables for the period before the participant attains age 55 and using the annuitant mortality tables for the period ages 55 and above. Similarly, for a 45-year-old terminated

vested participant who is projected to commence an annuity at age 65, benefit liabilities are determined using the non-annuitant mortality tables for the period before the participant attains age 65 and using the annuitant mortality tables for ages 65 and above.

(5) *Base mortality tables.* The following are the base mortality tables. The base year for these tables is 2012.

TABLE 2 TO PARAGRAPH (c)(5)—HEALTHY LIVES BASE MORTALITY TABLE

Age	Males		Females	
	Non-annuitant	Annuitant	Non-annuitant	Annuitant
0	0.00650	0.00650	0.00544	0.00544
1	0.00045	0.00045	0.00038	0.00038
2	0.00030	0.00030	0.00023	0.00023
3	0.00022	0.00022	0.00018	0.00018
4	0.00019	0.00019	0.00013	0.00013
5	0.00016	0.00016	0.00012	0.00012
6	0.00014	0.00014	0.00011	0.00011
7	0.00013	0.00013	0.00010	0.00010
8	0.00011	0.00011	0.00009	0.00009
9	0.00009	0.00009	0.00009	0.00009
10	0.00008	0.00008	0.00009	0.00009
11	0.00009	0.00009	0.00009	0.00009
12	0.00013	0.00013	0.00010	0.00010
13	0.00017	0.00017	0.00012	0.00012
14	0.00022	0.00022	0.00013	0.00013
15	0.00028	0.00028	0.00013	0.00013
16	0.00034	0.00034	0.00014	0.00014
17	0.00040	0.00040	0.00015	0.00015
18	0.00046	0.00046	0.00015	0.00015
19	0.00053	0.00053	0.00015	0.00015
20	0.00056	0.00056	0.00015	0.00015
21	0.00056	0.00056	0.00015	0.00015
22	0.00056	0.00056	0.00016	0.00016
23	0.00055	0.00055	0.00018	0.00018
24	0.00055	0.00055	0.00019	0.00019
25	0.00054	0.00054	0.00019	0.00019
26	0.00054	0.00054	0.00019	0.00019
27	0.00054	0.00054	0.00020	0.00020
28	0.00054	0.00054	0.00020	0.00020
29	0.00054	0.00054	0.00020	0.00020
30	0.00055	0.00055	0.00021	0.00021
31	0.00055	0.00055	0.00022	0.00022
32	0.00056	0.00056	0.00023	0.00023
33	0.00058	0.00058	0.00025	0.00025
34	0.00059	0.00059	0.00026	0.00026
35	0.00061	0.00061	0.00028	0.00028
36	0.00063	0.00063	0.00031	0.00031
37	0.00065	0.00065	0.00034	0.00034
38	0.00068	0.00068	0.00036	0.00036
39	0.00071	0.00071	0.00040	0.00040
40	0.00074	0.00074	0.00043	0.00043
41	0.00077	0.00082	0.00047	0.00049
42	0.00081	0.00099	0.00051	0.00061
43	0.00086	0.00124	0.00055	0.00078
44	0.00091	0.00158	0.00060	0.00101
45	0.00097	0.00200	0.00065	0.00130
46	0.00105	0.00251	0.00071	0.00165
47	0.00113	0.00310	0.00077	0.00206
48	0.00123	0.00378	0.00083	0.00252
49	0.00134	0.00454	0.00090	0.00304
50	0.00147	0.00539	0.00098	0.00362
51	0.00161	0.00544	0.00107	0.00426
52	0.00177	0.00565	0.00116	0.00495
53	0.00194	0.00588	0.00126	0.00500
54	0.00213	0.00616	0.00137	0.00512
55	0.00234	0.00647	0.00148	0.00517

TABLE 2 TO PARAGRAPH (c)(5)—HEALTHY LIVES BASE MORTALITY TABLE—Continued

Age	Males		Females	
	Non-annuitant	Annuitant	Non-annuitant	Annuitant
56	0.00257	0.00686	0.00161	0.00522
57	0.00281	0.00728	0.00175	0.00528
58	0.00308	0.00770	0.00190	0.00561
59	0.00338	0.00811	0.00206	0.00601
60	0.00369	0.00848	0.00224	0.00643
61	0.00403	0.00882	0.00243	0.00690
62	0.00441	0.00918	0.00264	0.00743
63	0.00481	0.00960	0.00287	0.00796
64	0.00525	0.01014	0.00312	0.00859
65	0.00573	0.01087	0.00339	0.00928
66	0.00636	0.01178	0.00380	0.01003
67	0.00706	0.01288	0.00427	0.01089
68	0.00784	0.01418	0.00480	0.01192
69	0.00870	0.01564	0.00540	0.01309
70	0.00967	0.01729	0.00606	0.01444
71	0.01073	0.01914	0.00681	0.01597
72	0.01192	0.02121	0.00765	0.01770
73	0.01323	0.02354	0.00860	0.01967
74	0.01469	0.02613	0.00966	0.02192
75	0.01632	0.02905	0.01085	0.02445
76	0.01812	0.03233	0.01219	0.02727
77	0.02012	0.03604	0.01370	0.03042
78	0.02234	0.04026	0.01539	0.03391
79	0.02480	0.04504	0.01729	0.03775
80	0.02754	0.05046	0.01943	0.04198
81	0.02989	0.05657	0.02134	0.04663
82	0.03460	0.06343	0.02516	0.05178
83	0.04166	0.07114	0.03089	0.05754
84	0.05108	0.07977	0.03853	0.06401
85	0.06285	0.08946	0.04808	0.07132
86	0.07698	0.10032	0.05955	0.07954
87	0.09346	0.11248	0.07293	0.08879
88	0.11229	0.12600	0.08822	0.09936
89	0.13348	0.14088	0.10542	0.11124
90	0.15703	0.15703	0.12453	0.12453
91	0.17401	0.17401	0.13818	0.13818
92	0.19151	0.19151	0.15250	0.15250
93	0.20936	0.20936	0.16737	0.16737
94	0.22742	0.22742	0.18274	0.18274
95	0.24569	0.24569	0.19863	0.19863
96	0.26415	0.26415	0.21509	0.21509
97	0.28281	0.28281	0.23214	0.23214
98	0.30169	0.30169	0.24983	0.24983
99	0.32077	0.32077	0.26814	0.26814
100	0.33996	0.33996	0.28698	0.28698
101	0.35910	0.35910	0.30619	0.30619
102	0.37794	0.37794	0.32549	0.32549
103	0.39633	0.39633	0.34472	0.34472
104	0.41415	0.41415	0.36375	0.36375
105	0.43131	0.43131	0.38243	0.38243
106	0.44771	0.44771	0.40065	0.40065
107	0.46329	0.46329	0.41828	0.41828
108	0.47800	0.47800	0.43522	0.43522
109	0.49181	0.49181	0.45139	0.45139
110	0.50000	0.50000	0.46673	0.46673
111	0.50000	0.50000	0.48120	0.48120
112	0.50000	0.50000	0.49477	0.49477
113	0.50000	0.50000	0.50000	0.50000
114	0.50000	0.50000	0.50000	0.50000
115	0.50000	0.50000	0.50000	0.50000
116	0.50000	0.50000	0.50000	0.50000
117	0.50000	0.50000	0.50000	0.50000
118	0.50000	0.50000	0.50000	0.50000
119	0.50000	0.50000	0.50000	0.50000
120	1.00000	1.00000	1.00000	1.00000

Pension Benefit Guaranty Corporation

§ 4044.53

(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 the following table.

TABLE 3 TO PARAGRAPH (d)—SOCIAL SECURITY DISABLED LIVES MORTALITY TABLE

Age	Male	Female
16	0.012544	0.004759
17	0.007102	0.006541
18	0.005859	0.008035
19	0.009998	0.008369
20	0.008926	0.009224
21	0.008533	0.008144
22	0.008158	0.008616
23	0.008970	0.008127
24	0.008433	0.008318
25	0.008696	0.008851
26	0.009211	0.008002
27	0.009362	0.008694
28	0.009780	0.009477
29	0.010049	0.009664
30	0.011093	0.009417
31	0.011075	0.009985
32	0.010931	0.010524
33	0.011890	0.010648
34	0.012529	0.011252
35	0.012418	0.011450
36	0.013234	0.011448
37	0.013832	0.012135
38	0.014457	0.012579
39	0.015830	0.012619
40	0.016153	0.013578
41	0.016859	0.014243
42	0.017464	0.014520
43	0.018302	0.014773
44	0.019127	0.015630
45	0.020380	0.016131
46	0.021607	0.016874
47	0.023407	0.017547
48	0.023956	0.018198
49	0.025631	0.019281
50	0.026384	0.019413
51	0.027277	0.020343
52	0.028582	0.020488
53	0.030164	0.021316
54	0.031262	0.021960
55	0.031728	0.021969
56	0.033067	0.022897
57	0.034230	0.023556
58	0.035474	0.024159
59	0.036790	0.024958
60	0.037772	0.025905
61	0.039297	0.027414
62	0.039954	0.028394
63	0.041069	0.029795
64	0.042280	0.030776
65	0.039144	0.028230
66	0.043862	0.031667
67	0.046182	0.033318
68	0.048624	0.034728
69	0.052077	0.037341
70	0.055284	0.039491
71	0.058951	0.042134
72	0.062301	0.044962
73	0.067099	0.047548
74	0.071469	0.051148
75	0.075068	0.055271
76	0.080425	0.059382
77	0.085531	0.063489
78	0.091585	0.068675

TABLE 3 TO PARAGRAPH (d)—SOCIAL SECURITY DISABLED LIVES MORTALITY TABLE—Continued

Age	Male	Female
79	0.098383	0.074929
80	0.104788	0.080536
81	0.113110	0.088455
82	0.122062	0.094573
83	0.131697	0.103589
84	0.140430	0.111345
85	0.151890	0.122160
86	0.165777	0.130844
87	0.176875	0.142631
88	0.188397	0.156112
89	0.206651	0.166591
90	0.223252	0.182064
91	0.235073	0.197059
92	0.249318	0.205768
93	0.267740	0.225325
94	0.277033	0.240441
95	0.284003	0.260724
96	0.298740	0.281817
97	0.313086	0.293156
98	0.328740	0.308400
99	0.345177	0.324436
100	0.362436	0.341307
101	0.380558	0.359055
102	0.399586	0.377726
103	0.419565	0.397368
104	0.440543	0.418031
105	0.462571	0.439768
106	0.485699	0.462636
107	0.509984	0.486693
108	0.535483	0.512001
109	0.562257	0.538626
110	0.590370	0.566634
111+	1.000000	1.000000

(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 using generational mortality tables described in paragraph (c) of this section.

(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.

§ 4044.53

29 CFR Ch. XL (7-1-25 Edition)

(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.

(h) *Missing participants mortality.* The following mortality table is used to value benefits using “*PBGC missing participants assumptions*” under part 4050, subparts A, C, and D of this chapter.

TABLE 4 TO PARAGRAPH (h)—MISSING PARTICIPANTS UNISEX MORTALITY TABLE

Age	Benefit determination dates in 2024	Benefit determination dates in 2025
0	0.00207	0.00204
1	0.00015	0.00014
2	0.00010	0.00009
3	0.00008	0.00007
4	0.00006	0.00006
5	0.00006	0.00005
6	0.00005	0.00005
7	0.00005	0.00005
8	0.00004	0.00004
9	0.00004	0.00004
10	0.00004	0.00004
11	0.00004	0.00004
12	0.00005	0.00005
13	0.00006	0.00006
14	0.00008	0.00007
15	0.00009	0.00009
16	0.00010	0.00010
17	0.00012	0.00012
18	0.00014	0.00014
19	0.00016	0.00015
20	0.00016	0.00016
21	0.00017	0.00016
22	0.00017	0.00017
23	0.00018	0.00018
24	0.00019	0.00019
25	0.00020	0.00019
26	0.00021	0.00020
27	0.00022	0.00021
28	0.00023	0.00022
29	0.00023	0.00023
30	0.00025	0.00025
31	0.00026	0.00026
32	0.00028	0.00027
33	0.00030	0.00030
34	0.00032	0.00031
35	0.00034	0.00034
36	0.00036	0.00036
37	0.00038	0.00038
38	0.00040	0.00040
39	0.00043	0.00042
40	0.00044	0.00044
41	0.00046	0.00045
42	0.00048	0.00047
43	0.00049	0.00049
44	0.00052	0.00051
45	0.00054	0.00053
46	0.00058	0.00057
47	0.00061	0.00060
48	0.00065	0.00064
49	0.00070	0.00069
50	0.00076	0.00076
51	0.00085	0.00084
52	0.00095	0.00094
53	0.00106	0.00105

Pension Benefit Guaranty Corporation

§ 4044.53

TABLE 4 TO PARAGRAPH (h)—MISSING PARTICIPANTS UNISEX MORTALITY TABLE—Continued

Age	Benefit determination dates in 2024	Benefit determination dates in 2025
54	0.00120	0.00118
55	0.00143	0.00141
56	0.00177	0.00174
57	0.00205	0.00202
58	0.00239	0.00235
59	0.00276	0.00273
60	0.00321	0.00317
61	0.00370	0.00365
62	0.00441	0.00434
63	0.00514	0.00507
64	0.00577	0.00570
65	0.00658	0.00650
66	0.00748	0.00738
67	0.00834	0.00823
68	0.00928	0.00916
69	0.01034	0.01021
70	0.01155	0.01141
71	0.01294	0.01278
72	0.01452	0.01435
73	0.01631	0.01611
74	0.01837	0.01815
75	0.02073	0.02049
76	0.02345	0.02317
77	0.02656	0.02626
78	0.03012	0.02979
79	0.03417	0.03382
80	0.03899	0.03862
81	0.04395	0.04356
82	0.04959	0.04916
83	0.05595	0.05549
84	0.06317	0.06267
85	0.07138	0.07083
86	0.08063	0.08005
87	0.09107	0.09044
88	0.10286	0.10220
89	0.11596	0.11526
90	0.13036	0.12962
91	0.14540	0.14463
92	0.16090	0.16012
93	0.17679	0.17601
94	0.19284	0.19206
95	0.20898	0.20822
96	0.22620	0.22545
97	0.24386	0.24311
98	0.26196	0.26123
99	0.28059	0.27986
100	0.29960	0.29887
101	0.31891	0.31817
102	0.33825	0.33748
103	0.35757	0.35673
104	0.37670	0.37583
105	0.39521	0.39436
106	0.41327	0.41245
107	0.43080	0.42999
108	0.44743	0.44667
109	0.46339	0.46271
110	0.47628	0.47568
111	0.48468	0.48417
112	0.49268	0.49226
113	0.49666	0.49634
114	0.49795	0.49773
115	0.49928	0.49915
116	0.49960	0.49953
117	0.49978	0.49973
118	0.49995	0.49993
119	0.50000	0.50000
120	1.00000	1.00000

§ 4044.54

29 CFR Ch. XL (7–1–25 Edition)

[70 FR 72207, Dec. 2, 2005, as amended at 89 FR 48300, June 6, 2024; 89 FR 104041, Dec. 20, 2024]

§ 4044.54 Interest assumptions.

(a) *General rule.* The plan administrator must use the interest rates prescribed in this section to value benefits under § 4044.52.

(b) *Interest rate.* The interest rate used to discount an expected benefit payment is the interest rate from the applicable 4044 yield curve determined under paragraph (c) of this section for the maturity point that corresponds to the period of time from the valuation date to the date the benefit is expected to be paid unless that period of time exceeds 30 years. In that case, the interest rate used is the interest rate that corresponds to the maturity point at year 30.0. To address the timing of benefit payments during a year, reasonable approximations may be used to value benefit payments that are expected to be made during a plan year.

(c) *4044 yield curve.* A 4044 yield curve consists of interest rates (as percentages) that correspond to mid-year and whole-year maturity points for 30.0 years. The applicable 4044 yield curve is the applicable blended market yield curve determined under paragraphs (d)(1) and (2) of this section adjusted in accordance with paragraph (e)(2) of this section by the applicable spreads determined under paragraph (e)(1) of this section.

(d) *Blended market yield curves.* A blended market yield curve consists of interest rates (as percentages), determined as of the last day of a month, that correspond to mid-year and whole-year maturity points for 30.0 years.

(1) *Applicable blended market yield curve.* The applicable blended market yield curve is the blended market yield curve as of the valuation date if the valuation date is the last day of a month, otherwise it is the blended market yield curve as of the last day of the month before the month containing the valuation date.

(2) *Determination of blended market yield curve.* The blended market yield curve is determined by combining the Department of the Treasury's TNC Treasury Yield Curve Spot Rates, End of Month yield curve (TNC Yield Curve)

with the Department of the Treasury's HQM Corporate Bond Yield Curve Spot Rates, End of Month yield curve (HQM Bond Yield Curve) in accordance with this paragraph (d)(2). To determine the blended market yield curve as of the last day of a month—

(i) Obtain the rate for each maturity point from 0.5 to 30.0 from the TNC Yield Curve for the end of the month published by the Department of the Treasury.

(ii) Obtain the rate for each maturity point from 0.5 to 30.0 from the HQM Bond Yield Curve for the end of the month published by the Department of the Treasury.

(iii) Determine the interest rate for each maturity point from 0.5 to 30.0 on the blended market yield curve by multiplying the rate determined in paragraph (d)(2)(i) of this section by one-third, multiplying the rate determined in paragraph (d)(2)(ii) of this section at the year by two-thirds, and adding the products.

(e) *Spreads—(1) Applicable spreads.* The applicable spreads for a blended market yield curve are the spreads set forth in table 1 to this paragraph (e) for the calendar quarter containing the date of the blended market yield curve.

(2) *Using spreads to adjust a blended market yield curve.* The 4044 yield curve described in paragraph (c) of this section is determined by adjusting the blended market yield curve. This adjustment is made by adding the interest rate for each maturity point on the blended market yield curve to the spread corresponding to that maturity point from the applicable spreads.

(3) *Examples.* The following examples illustrate how to determine the applicable blended market yield curve and applicable spreads for a given valuation date:

(i) *Example 1—August 31, 2024, valuation date.* Because the valuation date is the last day of a month, the applicable blended market yield curve determined under paragraph (d)(1) of this section is the blended market yield curve as of that date. Because August 31, 2024, is in the third calendar quarter of 2024, the applicable spreads determined under paragraph (e)(1) of this section are the spreads for the third calendar quarter of 2024.

Pension Benefit Guaranty Corporation

§ 4044.55

(ii) *Example 2—November 15, 2024, valuation date.* Because the valuation date is not the last day of a month, the applicable blended market yield curve determined under paragraph (d)(1) of this section is the blended market yield curve as of the last day of the month before the month containing the valuation date, October 31, 2024. Because October 31, 2024, is in the fourth calendar quarter of 2024, the applicable spreads determined under paragraph (e)(1) of this section are the spreads for the fourth calendar quarter of 2024.

**TABLE 1 TO PARAGRAPH (e)—SPREADS—
Continued**

Maturity point	Third quarter 2024 spreads (percent)	Fourth quarter 2024 spreads (percent)	First quarter 2025 spreads (percent)	Second quarter 2025 spreads (percent)
25.5	0.33	0.30	0.26	0.20
26.0	0.33	0.30	0.26	0.20
26.5	0.32	0.30	0.26	0.20
27.0	0.32	0.30	0.26	0.20
27.5	0.32	0.30	0.25	0.19
28.0	0.32	0.30	0.25	0.19
28.5	0.32	0.30	0.25	0.19
29.0	0.32	0.30	0.25	0.19
29.5	0.32	0.30	0.25	0.19
30.0	0.32	0.30	0.25	0.19

TABLE 1 TO PARAGRAPH (e)—SPREADS

Maturity point	Third quarter 2024 spreads (percent)	Fourth quarter 2024 spreads (percent)	First quarter 2025 spreads (percent)	Second quarter 2025 spreads (percent)
0.5	0.38	0.33	0.36	0.38
1.0	0.38	0.33	0.36	0.38
1.5	0.37	0.33	0.36	0.37
2.0	0.37	0.33	0.36	0.37
2.5	0.37	0.33	0.36	0.37
3.0	0.37	0.33	0.36	0.37
3.5	0.37	0.33	0.36	0.37
4.0	0.37	0.33	0.36	0.37
4.5	0.37	0.33	0.36	0.37
5.0	0.37	0.33	0.36	0.37
5.5	0.37	0.32	0.35	0.36
6.0	0.37	0.32	0.35	0.36
6.5	0.37	0.32	0.35	0.35
7.0	0.37	0.32	0.35	0.35
7.5	0.37	0.32	0.35	0.35
8.0	0.37	0.32	0.35	0.35
8.5	0.37	0.32	0.34	0.34
9.0	0.37	0.32	0.34	0.34
9.5	0.36	0.32	0.34	0.33
10.0	0.36	0.32	0.34	0.33
10.5	0.36	0.32	0.33	0.32
11.0	0.36	0.32	0.33	0.32
11.5	0.36	0.32	0.33	0.32
12.0	0.36	0.32	0.33	0.32
12.5	0.36	0.32	0.32	0.31
13.0	0.36	0.32	0.32	0.31
13.5	0.35	0.31	0.32	0.30
14.0	0.35	0.31	0.32	0.30
14.5	0.35	0.31	0.31	0.29
15.0	0.35	0.31	0.31	0.29
15.5	0.35	0.31	0.30	0.28
16.0	0.35	0.31	0.30	0.28
16.5	0.34	0.31	0.30	0.27
17.0	0.34	0.31	0.30	0.27
17.5	0.34	0.31	0.29	0.26
18.0	0.34	0.31	0.29	0.26
18.5	0.34	0.31	0.29	0.25
19.0	0.34	0.31	0.29	0.25
19.5	0.34	0.30	0.28	0.24
20.0	0.34	0.30	0.28	0.24
20.5	0.33	0.30	0.28	0.23
21.0	0.33	0.30	0.28	0.23
21.5	0.33	0.30	0.27	0.22
22.0	0.33	0.30	0.27	0.22
22.5	0.33	0.30	0.27	0.22
23.0	0.33	0.30	0.27	0.22
23.5	0.33	0.30	0.26	0.21
24.0	0.33	0.30	0.26	0.21
24.5	0.33	0.30	0.26	0.20
25.0	0.33	0.30	0.26	0.20

[89 FR 48305, June 6, 2024, as amended at 89 FR 54347, July 1, 2024; 89 FR 76731, Sept. 19, 2024; 89 FR 104425, Dec. 23, 2024; 90 FR 14578, Apr. 3, 2025]

EXPECTED RETIREMENT AGE

§ 4044.55 XRA when a participant must retire to receive a benefit.

(a) *Applicability.* Except as provided in §4044.57, the plan administrator shall determine the XRA under this section when plan provisions or established plan practice require a participant to retire from his or her job to begin receiving an early retirement benefit.

(b) *Data needed.* The plan administrator shall determine for each participant who is entitled to an early retirement benefit—

(1) The amount of the participant's monthly benefit payable at unreduced retirement age in the normal form payable under the terms of the plan or in the form validly elected by the participant before the termination date;

(2) The calendar year in which the participant reaches unreduced retirement age ("URA");

(3) The participant's URA; and

(4) The participant's earliest retirement age at the valuation date.

(c) *Procedure.* (1) The plan administrator shall determine whether a participant is in the high, medium, or low retirement rate category using the applicable Selection of Retirement Rate Category Table in §4044.58, based on the participant's benefit determined under paragraph (b)(1) of this section and the year in which the participant reaches URA.

§ 4044.56

(2) Based on the retirement rate category determined under paragraph (c)(1), the plan administrator shall determine the XRA from Table II-A, II-B or II-C, as appropriate, by using the participant's URA and earliest retirement age at valuation date.

[61 FR 34059, July 1, 1996, as amended at 89 FR 48306, June 6, 2024]

§ 4044.56 XRA when a participant need not retire to receive a benefit.

(a) *Applicability.* Except as provided in §4044.57, the plan administrator shall determine the XRA under this section when plan provisions or established plan practice do not require a participant to retire from his or her job to begin receiving his or her early retirement benefit.

(b) *Data needed.* The plan administrator shall determine for each participant—

- (1) The participant's URA; and
- (2) The participant's earliest retirement age at valuation date.

(c) *Procedure.* Participants in this case are always assigned to the high retirement rate category and therefore the plan administrator shall use table II-C (Expected Retirement Ages for Individuals in the High Category) in §4044.58 to determine the XRA. The plan administrator shall determine the

29 CFR Ch. XL (7-1-25 Edition)

XRA from table II-C by using the participant's URA and earliest retirement age at termination date.

[61 FR 34059, July 1, 1996, as amended at 89 FR 48306, June 6, 2024]

§ 4044.57 Special rule for facility closing.

(a) *Applicability.* The plan administrator shall determine the XRA under this section, rather than §4044.55 or §4044.56, when both the conditions set forth in paragraphs (a)(1) and (a)(2) of this section exist.

(1) The facility at which the participant is or was employed permanently closed within one year before the valuation date, or is in the process of being permanently closed on the valuation date.

(2) The participant left employment at the facility less than one year before the valuation date or was still employed at the facility on the valuation date.

(b) *XRA.* The XRA is equal to the earliest retirement age at valuation date.

§ 4044.58 Tables used to determine expected retirement age.

The following tables are used for determining expected retirement age under §§ 4044.55 through 4044.57.

TABLE 1 TO § 4044.58—TABLE I-25—SELECTION OF RETIREMENT RATE CATEGORY
[For valuation dates in 2025¹]

If participant reaches URA in year—	Participant's retirement rate category is—			
	Low ² if monthly benefit at URA is less than—	Medium ³ if monthly benefit at URA is—		High ⁴ if monthly benefit at URA is greater than—
		From—	To—	
2026	825	825	3,486	3,486
2027	844	844	3,566	3,566
2028	864	864	3,648	3,648
2029	884	884	3,732	3,732
2030	904	904	3,818	3,818
2031	925	925	3,906	3,906
2032	946	946	3,996	3,996
2033	968	968	4,088	4,088
2034	990	990	4,182	4,182
2035 or later	1,013	1,013	4,278	4,278

¹ Applicable tables for valuation dates before 2025 are available on PBGC's website (www.pbgc.gov).

² Table II-A.

³ Table II-B.

⁴ Table II-C.

Pension Benefit Guaranty Corporation

§ 4044.58

TABLE 2 TO § 4044.58—TABLE II-A—EXPECTED RETIREMENT AGES FOR INDIVIDUALS IN THE LOW CATEGORY

Participant's earliest retirement age at valuation date	Unreduced retirement age										
	60	61	62	63	64	65	66	67	68	69	70
42	53	53	53	54	54	54	54	54	54	54	54
43	53	54	54	54	55	55	55	55	55	55	55
44	54	54	55	55	55	55	55	56	56	56	56
45	54	55	55	56	56	56	56	56	56	56	56
46	55	55	56	56	56	57	57	57	57	57	57
47	56	56	56	57	57	57	57	57	57	57	57
48	56	57	57	57	58	58	58	58	58	58	58
49	56	57	58	58	58	58	59	59	59	59	59
50	57	57	58	58	59	59	59	59	59	59	59
51	57	58	58	59	59	60	60	60	60	60	60
52	58	58	59	59	60	60	60	60	60	60	60
53	58	59	59	60	60	61	61	61	61	61	61
54	58	59	60	60	61	61	61	61	61	61	61
55	59	59	60	61	61	61	62	62	62	62	62
56	59	60	60	61	61	62	62	62	62	62	62
57	59	60	61	61	62	62	62	62	62	62	62
58	59	60	61	61	62	62	63	63	63	63	63
59	59	60	61	62	62	63	63	63	63	63	63
60	60	60	61	62	62	63	63	63	63	63	63
61	.....	61	61	62	63	63	63	63	64	64	64
62	.....	.....	62	62	63	63	63	64	64	64	64
63	.....	.....	.....	63	63	64	64	65	65	65	65
64	.....	.....	.....	.....	64	64	65	65	65	65	65
65	.....	.....	.....	.....	.....	65	65	65	65	65	65
66	.....	.....	.....	.....	.....	.....	66	66	66	66	66
67	.....	.....	.....	.....	.....	.....	.....	67	67	67	67
68	.....	.....	.....	.....	.....	.....	.....	.....	68	68	68
69	.....	.....	.....	.....	.....	.....	.....	.....	.....	69	69
70	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	70

TABLE 3 TO § 4044.58—TABLE II-B—EXPECTED RETIREMENT AGES FOR INDIVIDUALS IN THE MEDIUM CATEGORY

Participant's earliest retirement age at valuation date	Unreduced retirement age										
	60	61	62	63	64	65	66	67	68	69	70
42	49	49	49	49	49	49	49	49	49	49	49
43	50	50	50	50	50	50	50	50	50	50	50
44	50	51	51	51	51	51	51	51	51	51	51
45	51	51	52	52	52	52	52	52	52	52	52
46	52	52	52	53	53	53	53	53	53	53	53
47	53	53	53	53	53	54	54	54	54	54	54
48	54	54	54	54	54	54	54	54	54	54	54
49	54	55	55	55	55	55	55	55	55	55	55
50	55	55	56	56	56	56	56	56	56	56	56
51	56	56	56	57	57	57	57	57	57	57	57
52	56	57	57	57	57	58	58	58	58	58	58
53	57	57	58	58	58	58	58	58	58	58	58
54	57	58	58	59	59	59	59	59	59	59	59
55	58	58	59	59	59	60	60	60	60	60	60
56	58	59	59	60	60	60	60	60	60	60	60
57	59	59	60	60	61	61	61	61	61	61	61
58	59	60	60	61	61	61	61	61	61	61	61
59	59	60	61	61	62	62	62	62	62	62	62
60	60	60	61	62	62	62	62	62	62	62	62
61	.....	61	61	62	62	63	63	63	63	63	63
62	.....	.....	62	62	62	63	63	63	63	63	63
63	.....	.....	.....	63	63	64	64	64	64	64	64
64	.....	.....	.....	.....	64	64	64	64	64	64	64
65	.....	.....	.....	.....	.....	65	65	65	65	65	65
66	.....	.....	.....	.....	.....	.....	66	66	66	66	66
67	.....	.....	.....	.....	.....	.....	.....	67	67	67	67
68	.....	.....	.....	.....	.....	.....	.....	.....	68	68	68
69	.....	.....	.....	.....	.....	.....	.....	.....	.....	69	69
70	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	70

§ 4044.71

29 CFR Ch. XL (7-1-25 Edition)

TABLE 4 TO § 4044.58—TABLE II-C—EXPECTED RETIREMENT AGES FOR INDIVIDUALS IN THE HIGH CATEGORY

Participant's earliest retirement age at valuation date	Unreduced retirement age										
	60	61	62	63	64	65	66	67	68	69	70
42	46	46	46	46	46	47	47	47	47	47	47
43	47	47	47	47	47	47	47	47	47	47	47
44	48	48	48	48	48	48	48	48	48	48	48
45	49	49	49	49	49	49	49	49	49	49	49
46	50	50	50	50	50	50	50	50	50	50	50
47	51	51	51	51	51	51	51	51	51	51	51
48	52	52	52	52	52	52	52	52	52	52	52
49	53	53	53	53	53	53	53	53	53	53	53
50	54	54	54	54	54	54	54	54	54	54	54
51	54	55	55	55	55	55	55	55	55	55	55
52	55	55	56	56	56	56	56	56	56	56	56
53	56	56	56	57	57	57	57	57	57	57	57
54	57	57	57	57	57	58	58	58	58	58	58
55	57	58	58	58	58	58	58	58	58	58	58
56	58	58	59	59	59	59	59	59	59	59	59
57	58	59	59	60	60	60	60	60	60	60	60
58	59	59	60	60	60	60	61	61	61	61	61
59	59	60	60	61	61	61	61	61	61	61	61
60	60	60	61	61	61	62	62	62	62	62	62
61	60	61	61	62	62	62	62	62	62	62	62
62	60	61	62	62	62	62	62	62	62	62	62
63	60	61	62	63	63	63	64	64	64	64	64
64	60	61	62	63	64	64	64	64	64	64	64
65	60	61	62	63	64	65	65	65	65	65	65
66	60	61	62	63	64	65	66	66	66	66	66
67	60	61	62	63	64	65	66	67	67	67	67
68	60	61	62	63	64	65	66	67	68	68	68
69	60	61	62	63	64	65	66	67	68	69	69
70	60	61	62	63	64	65	66	67	68	69	70

[89 FR 48306, June 6, 2024, as amended at 89 FR 104043, Dec. 20, 2024]

NON-TRUSTEED PLANS

§ 4044.71 Valuation of annuity benefits.

The value of a benefit which is to be paid as an annuity is the cost of purchasing the annuity on the date of distribution from an insurer.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34606, June 14, 2011]

§ 4044.72 Form of annuity to be valued.

(a) When both the participant and beneficiary are alive on the date of distribution, the form of annuity to be valued is—

(1) For a participant or beneficiary already receiving a monthly benefit, that form which is being received, or

(2) For a participant or beneficiary not receiving a monthly benefit, the normal annuity form payable under the plan or the optional form for which the participant has made a valid election.

(b) When the participant dies after the date of plan termination but before the date of distribution, the form of annuity to be valued is determined under paragraph (b)(1) or (b)(2) of this section:

(1) For a participant who was entitled to a deferred annuity—

(i) If the form was a single or joint life annuity, no benefit shall be valued; or

(ii) If the participant had made a valid election of a lump sum benefit before he or she died, the form to be valued is the lump sum.

(2) For a participant who was eligible for immediate retirement, and for a participant who was in pay status at the date of termination—

(i) If the form was a single life annuity, no benefit shall be valued;

(ii) If the form was an annuity for a period certain and life thereafter, the form to be valued is an annuity for the certain period;

(iii) If the form was a joint and survivor annuity, the form to be valued is a single life annuity payable to the

Pension Benefit Guaranty Corporation

§ 4044.74

beneficiary, unless the beneficiary has also died, in which case no benefit shall be valued;

(iv) If the form was an annuity for a period certain and joint and survivor thereafter, the form to be valued is an annuity for the certain period and the life of the beneficiary thereafter, unless the beneficiary has also died, in which case the form to be valued is an annuity for the certain period;

(v) If the form was a cash refund annuity, the form to be valued is the remaining lump sum death benefit; or

(vi) If the participant had elected a lump sum benefit before he or she died, the form to be valued is the lump sum.

(c) When the participant is still living and the named beneficiary or spouse dies after the date of termination but before the date of distribution, the form of annuity to be valued is determined under paragraph (c)(1) or (c)(2) of this section:

(1) For a participant entitled to a deferred annuity—

(i) If the form was a joint and survivor annuity, the form to be valued is a single life annuity payable to the participant; or

(ii) If the form was an annuity for a period certain and joint and survivor thereafter, the form to be valued is an annuity for the certain period and the life of the participant thereafter.

(2) For a participant eligible for immediate retirement and for a participant in pay status at the date of termination—

(i) If the form was a joint and survivor annuity, the form to be valued is a single life annuity payable to the participant; or

(ii) If the form was an annuity for a period certain and joint survivor thereafter annuity, the form to be valued is an annuity for the certain period and for the life of the participant thereafter.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34606, June 14, 2011]

§ 4044.73 Lump sums and other alternative forms of distribution in lieu of annuities.

(a) *Valuation.* (1) The value of the lump sum or other alternative form of distribution is the present value of the normal form of benefit provided by the

plan payable at normal retirement age, determined as of the date of distribution using reasonable actuarial assumptions as to interest and mortality.

(2) If the participant dies before the date of distribution, but had elected a lump sum benefit, the present value shall be determined as if the participant were alive on the date of distribution.

(b) *Actuarial assumptions.* The plan administrator shall specify the actuarial assumptions used to determine the value calculated under paragraph (a) of this section when the plan administrator submits the benefit valuation data to the PBGC. The same actuarial assumptions shall be used for all such calculations. The PBGC reserves the right to review the actuarial assumptions used and to re-value the benefits determined by the plan administrator if the actuarial assumptions are found to be unreasonable.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34606, June 14, 2011]

§ 4044.74 Withdrawal of employee contributions.

(a) If a participant has not started to receive monthly benefit payments on the date of distribution, the value of the lump sum which returns mandatory employee contributions is equal to the total amount of contributions made by the participant, plus interest that is payable to the participant under the terms of the plan, plus interest on that total amount from the date of termination to the date of distribution. The rate of interest credited on employee contributions up to the date of termination shall be the greater of the interest rate provided under the terms of the plan or the interest rate required under section 204(c) of ERISA or section 411(c) of the IRC.

(b) If a participant has started to receive monthly benefit payments on the date of distribution, part of which are attributable to his or her contributions, the value of the lump sum which returns employee contributions is equal to the excess of the amount described in paragraph (b)(1) of this section over the amount computed in paragraph (b)(2) of this section.

§ 4044.75

29 CFR Ch. XL (7-1-25 Edition)

(1) The amount of accumulated mandatory employee contributions remaining in the plan as of the date of termination plus interest from the date of termination to the date of distribution.

(2) The excess of benefit payments made from the plan between date of plan termination and the date of distribution, over the amount of payments that would have been made if the employee contributions had been paid as a lump sum on the date of plan termination, with interest accumulated on the excess from the date of payment to the date of distribution.

(c) *Interest assumptions.* The interest rate used under this section to credit interest between the date of termination to the date of distribution shall be a reasonable rate and shall be the same for both paragraphs (a) and (b).

§ 4044.75 Other lump sum benefits.

The value of a lump sum benefit which is not covered under § 4044.73 or § 4044.74 is equal to—

(a) The value under the irrevocable commitment, if an insurer provides the benefit; or

(b) The present value of the benefit as of the date of distribution, determined using reasonable actuarial assumptions, if the benefit is to be distributed other than by the purchase of the benefit from an insurer. The PBGC reserves the right to review the actuarial assumptions as to reasonableness and re-value the benefit if the actuarial assumptions are unreasonable.

[61 FR 34059, July 1, 1996, as amended at 76 FR 34606, June 14, 2011]

APPENDIX A TO PART 4044 [RESERVED]

APPENDIX B TO PART 4044—INTEREST RATES USED TO VALUE BENEFITS

[This table sets forth, for each indicated calendar month, the interest rates (denoted by i_1, i_2, \dots , and referred to generally as i_t) assumed to be in effect between specified anniversaries of a valuation date that occurs within that calendar month; those anniversaries are specified in the columns adjacent to the rates. The last listed rate is assumed to be in effect after the last listed anniversary date.]

For valuation dates occurring in the month—	The values of i_t are:					
	i_t	for $t=$	i_t	for $t=$	i_t	for $t=$
November 1993	.0560	1-25	.0525	>	N/A	N/A
December 1993	.0560	1-25	.0525	>25	N/A	N/A
January 1994	.0590	1-25	.0525	>25	N/A	N/A
February 1994	.0590	1-25	.0525	>25	N/A	N/A
March 1994	.0580	1-25	.0525	>25	N/A	N/A
April 1994	.0620	1-25	.0525	>25	N/A	N/A
May 1994	.0650	1-25	.0525	>25	N/A	N/A
June 1994	.0670	1-25	.0525	>25	N/A	N/A
July 1994	.0690	1-25	.0525	>25	N/A	N/A
August 1994	.0700	1-25	.0525	>25	N/A	N/A
September 1994	.0690	1-25	.0525	>25	N/A	N/A
October 1994	.0700	1-25	.0525	>25	N/A	N/A
November 1994	.0730	1-25	.0525	>25	N/A	N/A
December 1994	.0750	1-25	.0525	>25	N/A	N/A
January 1995	.0750	1-20	.0575	>20	N/A	N/A
February 1995	.0730	1-20	.0575	>20	N/A	N/A
March 1995	.0730	1-20	.0575	>20	N/A	N/A
April 1995	.0710	1-20	.0575	>20	N/A	N/A
May 1995	.0690	1-20	.0575	>20	N/A	N/A
June 1995	.0680	1-20	.0575	>20	N/A	N/A
July 1995	.0630	1-20	.0575	>20	N/A	N/A
August 1995	.0620	1-20	.0575	>20	N/A	N/A
September 1995	.0640	1-20	.0575	>20	N/A	N/A
October 1995	.0630	1-20	.0575	>20	N/A	N/A
November 1995	.0620	1-20	.0575	>20	N/A	N/A
December 1995	.0600	1-20	.0575	>20	N/A	N/A
January 1996	.0560	1-20	.0475	>20	N/A	N/A
February 1996	.0540	1-20	.0475	>20	N/A	N/A
March 1996	.0550	1-20	.0475	>20	N/A	N/A
April 1996	.0580	1-20	.0475	>20	N/A	N/A
May 1996	.0600	1-20	.0475	>20	N/A	N/A
June 1996	.0620	1-20	.0475	>20	N/A	N/A
July 2006	.0630	1-20	.0475	>20	N/A	N/A
August 1996	.0630	1-20	.0475	>20	N/A	N/A

Pension Benefit Guaranty Corporation

Pt. 4044, App. B

For valuation dates occurring in the month—	The values of i_t are:					
	i_t	for $t=$	i_t	for $t=$	i_t	for $t=$
September 1996 .....	.0630	1-20	.0475	>20	N/A	N/A
October 1996 .....	.0630	1-20	.0475	>20	N/A	N/A
November 1996 .....	.0620	1-20	.0475	>20	N/A	N/A
December 1996 .....	.0600	1-20	.0475	>20	N/A	N/A
January 1997 .....	.0580	1-25	.0500	>25	N/A	N/A
February 1997 .....	.0590	1-25	.0500	>25	N/A	N/A
March 1997 .....	.0620	1-25	.0500	>25	N/A	N/A
April 1997 .....	.0610	1-25	.0500	>25	N/A	N/A
May 1997 .....	.0630	1-25	.0500	>25	N/A	N/A
June 1997 .....	.0640	1-25	.0500	>25	N/A	N/A
July 1997 .....	.0630	1-25	.0500	>25	N/A	N/A
August 1997 .....	.0610	1-25	.0500	>25	N/A	N/A
September 1997 .....	.0570	1-25	.0500	>25	N/A	N/A
October 1997 .....	.0590	1-25	.0500	>25	N/A	N/A
November 1997 .....	.0570	1-25	.0500	>25	N/A	N/A
December 1997 .....	.0560	1-25	.0500	>25	N/A	N/A
January 1998 .....	.0560	1-25	.0525	>25	N/A	N/A
February 1998 .....	.0550	1-25	.0525	>25	N/A	N/A
March 1998 .....	.0550	1-25	.0525	>25	N/A	N/A
April 1998 .....	.0550	1-25	.0525	>25	N/A	N/A
May 1998 .....	.0560	1-25	.0525	>25	N/A	N/A
June 1998 .....	.0560	1-25	.0525	>25	N/A	N/A
July 1998 .....	.0550	1-25	.0525	>25	N/A	N/A
August 1998 .....	.0540	1-25	.0525	>25	N/A	N/A
September 1998 .....	.0540	1-25	.0525	>25	N/A	N/A
October 1998 .....	.0540	1-25	.0525	>25	N/A	N/A
November 1998 .....	.0530	1-25	.0525	>25	N/A	N/A
December 1998 .....	.0540	1-25	.0525	>25	N/A	N/A
January 1999 .....	.0530	1-20	.0525	>20	N/A	N/A
February 1999 .....	.0540	1-20	.0525	>20	N/A	N/A
March 1999 .....	.0530	1-20	.0525	>20	N/A	N/A
April 1999 .....	.0560	1-20	.0525	>20	N/A	N/A
May 1999 .....	.0570	1-20	.0525	>20	N/A	N/A
June 1999 .....	.0570	1-20	.0525	>20	N/A	N/A
July 1999 .....	.0600	1-20	.0525	>20	N/A	N/A
August 1999 .....	.0630	1-20	.0525	>20	N/A	N/A
September 1999 .....	.0630	1-20	.0525	>20	N/A	N/A
October 1999 .....	.0630	1-20	.0525	>20	N/A	N/A
November 1999 .....	.0630	1-20	.0525	>20	N/A	N/A
December 1999 .....	.0650	1-20	.0525	>20	N/A	N/A
January 2000 .....	.0690	1-25	.0625	>25	N/A	N/A
February 2000 .....	.0710	1-25	.0625	>25	N/A	N/A
March 2000 .....	.0710	1-25	.0625	>25	N/A	N/A
April 2000 .....	.0710	1-25	.0625	>25	N/A	N/A
May 2000 .....	.0700	1-25	.0625	>25	N/A	N/A
June 2000 .....	.0710	1-25	.0625	>25	N/A	N/A
July 2000 .....	.0740	1-25	.0625	>25	N/A	N/A
August 2000 .....	.0710	1-25	.0625	>25	N/A	N/A
September 2000 .....	.070	1-25	.0625	25	N/A	N/A
October 2000 .....	.0700	1-25	.0625	>25	N/A	N/A
November 2000 .....	.0710	1-25	.0625	>25	N/A	N/A
December 2000 .....	.0700	1-25	.0625	>25	N/A	N/A
January 2001 .....	.0670	1-20	.0625	>20	N/A	N/A
February 2001 .....	.0650	1-20	.0625	>20	N/A	N/A
March 2001 .....	.0640	1-20	.0625	>20	N/A	N/A
April 2001 .....	.0640	1-20	.0625	>20	N/A	N/A
May 2001 .....	.0640	1-20	.0625	>20	N/A	N/A
June 2001 .....	.0660	1-20	.0625	>20	N/A	N/A
July 2001 .....	.0660	1-20	.0625	>20	N/A	N/A
August 2001 .....	.0640	1-20	.0625	>20	N/A	N/A
September 2001 .....	.0630	1-20	.0625	>20	N/A	N/A
October 2001 .....	.0610	1-20	.0625	>20	N/A	N/A
November 2001 .....	.0650	1-20	.0625	>20	N/A	N/A
December 2001 .....	.0610	1-20	.0625	>20	N/A	N/A
January 2002 .....	.0580	1-25	.0425	>25	N/A	N/A
February 2002 .....	.0580	1-25	.0425	>25	N/A	N/A
March 2002 .....	.0560	1-25	.0425	>25	N/A	N/A
April 2002 .....	.0550	1-25	.0425	>25	N/A	N/A
May 2002 .....	.0590	1-25	.0425	>25	N/A	N/A
June 2002 .....	.0570	1-25	.0425	>25	N/A	N/A
July 2002 .....	.0570	1-25	.0425	>25	N/A	N/A
August 2002 .....	.0550	1-25	.0425	>25	N/A	N/A

For valuation dates occurring in the month—	The values of i_t are:					
	i_t	for $t=$	i_t	for $t=$	i_t	for $t=$
September 2002	.0540	1-25	.0425	25	N/A	N/A
October 2002	.0530	1-25	.0425	>25	N/A	N/A
November 2002	.0500	1-25	.0425	>25	N/A	N/A
December 2002	.0530	1-25	.0425	>25	N/A	N/A
January 2003	.0530	1-20	.0525	>20	N/A	N/A
February 2003	.0510	1-20	.0525	>20	N/A	N/A
March 2003	.0510	1-20	.0525	>20	N/A	N/A
April 2003	.0490	1-20	.0525	>20	N/A	N/A
May 2003	.0490	1-20	.0525	>20	N/A	N/A
June 2003	.0470	1-20	.0525	>20	N/A	N/A
July 2003	.0430	1-20	.0525	>20	N/A	N/A
August 2003	.0440	1-20	.0525	>20	N/A	N/A
September 2003	.0490	1-20	.0525	>20	N/A	N/A
October 2003	.0490	1-20	.0525	>20	N/A	N/A
November 2003	.0460	1-20	.0525	20	N/A	N/A
December 2003	.0470	1-20	.0525	>20	N/A	N/A
January 2004	.0420	1-20	.0500	>20	N/A	N/A
February 2004	.0410	1-20	.0500	>20	N/A	N/A
March 2004	.0410	1-20	.0500	>20	N/A	N/A
April 2004	.0400	1-20	.0500	>20	N/A	N/A
May 2004	.0390	1-20	.0500	>20	N/A	N/A
June 2004	.0430	1-20	.0500	>20	N/A	N/A
July 2004	.0450	1-20	.0500	>20	N/A	N/A
August 2004	.0430	1-20	.0500	>20	N/A	N/A
September 2004	.0420	1-20	.0500	>20	N/A	N/A
October 2004	.0400	1-20	.0500	>20	N/A	N/A
November 2004	.0380	1-20	.0500	>20	N/A	N/A
December 2004	.0380	1-20	.0500	>20	N/A	N/A
January 2005	.0410	1-20	.0475	>20	N/A	N/A
February 2005	.0400	1-20	.0475	>20	N/A	N/A
March 2005	.0380	1-20	.0475	>20	N/A	N/A
April 2005	.0380	1-20	.0475	>20	N/A	N/A
May 2005	.0390	1-20	.0475	>20	N/A	N/A
June 2005	.0370	1-20	.0475	>20	N/A	N/A
July 2005	.0360	1-20	.0475	>20	N/A	N/A
August 2005	.0340	1-20	.0475	>20	N/A	N/A
September 2005	.0360	1-20	.0475	>20	N/A	N/A
October 2005	.0350	1-20	.0475	>20	N/A	N/A
November 2005	.0370	1-20	.0475	>20	N/A	N/A
December 2005	.0400	1-20	.0475	>20	N/A	N/A
January 2006	.0570	1-20	.0475	>20	N/A	N/A
February 2006	.0560	1-20	.0475	>20	N/A	N/A
March 2006	.0570	1-20	.0475	>20	N/A	N/A
April 2006	.0560	1-20	.0475	>20	N/A	N/A
May 2006	.0590	1-20	.0475	>20	N/A	N/A
June 2006	.0620	1-20	.0475	>20	N/A	N/A
July 2006	.0630	1-20	.0475	>20	N/A	N/A
August 2006	.0640	1-20	.0475	>20	N/A	N/A
September 2006	.0620	1-20	.0475	>20	N/A	N/A
October 2006	.0600	1-20	.0475	>20	N/A	N/A
November 2006	.0570	1-20	.0475	>20	N/A	N/A
December 2006	.0580	1-20	.0475	>20	N/A	N/A
January 2007	.0488	1-20	.0455	>20	N/A	N/A
February 2007	.0513	1-20	.0480	>20	N/A	N/A
March 2007	.0522	1-20	.0489	>20	N/A	N/A
April 2007	.0499	1-20	.0466	>20	N/A	N/A
May 2007	.0520	1-20	.0487	>20	N/A	N/A
June 2007	.0514	1-20	.0481	>20	N/A	N/A
July 2007	.0533	1-20	.0500	>20	N/A	N/A
August 2007	.0549	1-20	.0516	>20	N/A	N/A
September 2007	.0553	1-20	.0520	>20	N/A	N/A
October 2007	.0551	1-20	.0518	>20	N/A	N/A
November 2007	.0546	1-20	.0513	>20	N/A	N/A
December 2007	.0537	1-20	.0504	>20	N/A	N/A
January 2008	.0542	1-20	.0449	>20	N/A	N/A
February 2008	.0550	1-20	.0457	>20	N/A	N/A
March 2008	.0554	1-20	.0461	>20	N/A	N/A
April 2008	.0564	1-20	.0471	>20	N/A	N/A
May 2008	.0581	1-20	.0488	>20	N/A	N/A
June 2008	.0568	1-20	.0475	>20	N/A	N/A
July 2008	.0595	1-20	.0502	20	N/A	N/A
August 2008	.0605	1-20	.0512	>20	N/A	N/A

Pension Benefit Guaranty Corporation

Pt. 4044, App. B

For valuation dates occurring in the month—	The values of i_t are:					
	i_t	for $t=$	i_t	for $t=$	i_t	for $t=$
September 2008 .....	.0624	1-20	.0531	>20	N/A	N/A
October 2008 .....	.0618	1-20	.0525	>20	N/A	N/A
November 2008 .....	.0709	1-20	.0616	>20	N/A	N/A
December 2008 .....	.0792	1-20	.0699	>20	N/A	N/A
January 2009	0.0602	1-20	0.0548	>20	N/A	N/A
February 2009	0.0602	1-20	0.0548	>20	N/A	N/A
March 2009	0.0602	1-20	0.0548	>20	N/A	N/A
April-June 2009	0.0550	1-20	0.0502	>20	N/A	N/A
July-September 2009	0.0531	1-20	0.0504	>20	N/A	N/A
October-December 2009	0.0530	1-20	0.0501	>20	N/A	N/A
January-March 2010	0.0489	1-20	0.0463	>20	N/A	N/A
April-June 2010	0.0463	1-20	0.0451	>20	N/A	N/A
July-September 2010	0.0493	1-20	0.0466	>20	N/A	N/A
October-December 2010	0.0448	1-25	0.0451	>25	N/A	N/A
January-March 2011	0.0407	1-25	0.0393	>25	N/A	N/A
April-June 2011	0.0396	1-20	0.0432	>20	N/A	N/A
July-September 2011	0.0422	1-20	0.0434	>20	N/A	N/A
October-December 2011	0.0409	1-20	0.0430	>20	N/A	N/A
January-March 2012	0.0374	1-20	0.0370	>20	N/A	N/A
April-June 2012	0.0311	1-20	0.0336	>20	N/A	N/A
July-September 2012	0.0295	1-20	0.0366	>20	N/A	N/A
October-December 2012	0.0307	1-20	0.0300	>20	N/A	N/A
January-March 2013	0.0267	1-20	0.0301	>20	N/A	N/A
April-June 2013	0.0250	1-20	0.0320	>20	N/A	N/A
July-September 2013	0.0260	1-20	0.0343	>20	N/A	N/A
October-December 2013	0.0300	1-20	0.0331	>20	N/A	N/A
January-March 2014	0.0335	1-20	0.0350	>20	N/A	N/A
April-June 2014	0.0347	1-20	0.0364	>20	N/A	N/A
July-September 2014	0.0343	1-20	0.0366	>20	N/A	N/A
October-December 2014	0.0310	1-20	0.0329	>20	N/A	N/A
January-March 2015	0.0289	1-20	0.0312	>20	N/A	N/A
April-June 2015	0.0271	1-20	0.0278	>20	N/A	N/A
July-September 2015	0.0232	1-20	0.0237	>20	N/A	N/A
October-December 2015	0.0246	1-20	0.0298	>20	N/A	N/A
January-March 2016	0.0282	1-20	0.0295	>20	N/A	N/A
January-March 2017	0.0187	1-20	0.0237	>20	N/A	N/A
April-June 2016	0.0277	1-20	0.0286	>20	N/A	N/A
July-September 2016	0.0250	1-20	0.0285	>20	N/A	N/A
October-December 2016	0.0198	1-20	0.0267	>20	N/A	N/A
January-March 2017	0.0187	1-20	0.0237	>20	N/A	N/A
April-June 2017	0.0215	1-20	0.0260	>20	N/A	N/A
July-September 2017	0.0244	1-20	0.0274	>20	N/A	N/A
October-December 2017	0.0234	1-20	0.0263	>20	N/A	N/A
January-March 2018	0.0239	1-20	0.0260	>20	N/A	N/A
April-June 2018	0.0227	1-20	0.0259	>20	N/A	N/A
July-September 2018	0.0253	1-25	0.0264	>25	N/A	N/A
October-December 2018	0.0284	1-20	0.0276	>20	N/A	N/A
January-March 2019	0.0309	1-20	0.0284	>20	N/A	N/A
April-June 2019	0.0307	1-20	0.0305	>20	N/A	N/A
July-September 2019	0.0292	1-25	0.0307	>25	N/A	N/A
October-December 2019	0.0253	1-25	0.0253	>25	N/A	N/A
January-March 2020	0.0212	1-25	0.0226	>25	N/A	N/A
April-June 2020	0.0211	1-20	0.0192	>20	N/A	N/A
July-September 2020	0.0198	1-20	0.0157	>20	N/A	N/A
October-December 2020	0.0162	1-20	0.0140	>20	N/A	N/A
January-March 2021	0.0169	1-20	0.0166	>20	N/A	N/A
April-June 2021	0.0182	1-20	0.0168	>20	N/A	N/A
July-September 2021	0.0213	1-25	0.0223	>25	N/A	N/A
October-December 2021	0.0240	1-20	0.0211	>20	N/A	N/A
January-March 2022	0.0237	1-20	0.0203	>20	N/A	N/A
April-June 2022	0.0240	1-20	0.0212	>20	N/A	N/A
July-September 2022	0.0281	1-20	0.0294	>20	N/A	N/A
October-December 2022	0.0390	1-20	0.0365	>20	N/A	N/A
January-March 2023	0.0486	1-20	0.0470	>20	N/A	N/A
April-June 2023	0.0538	1-20	0.0509	>20	N/A	N/A
July-September 2023	0.0524	1-20	0.0458	>20	N/A	N/A
October-December 2023	0.0506	1-20	0.0437	>20	N/A	N/A
January-March 2024	0.0545	1-20	0.0522	>20	N/A	N/A
April-June 2024	0.0550	1-20	0.0483	>20	N/A	N/A
July 2024, other than July 31	0.0511	1-20	0.0483	>20	N/A	N/A

[61 FR 34059, July 1, 1996]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting part 4044, appendix B, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

PART 4047—RESTORATION OF TERMINATING AND TERMINATED PLANS

Sec.

- 4047.1 Purpose and scope.
- 4047.2 Definitions.
- 4047.3 Funding of restored plan.
- 4047.4 Payment of premiums.
- 4047.5 Repayment of PBGC payments of guaranteed benefits.

AUTHORITY: 29 U.S.C. 1302(b)(3), 1347.

SOURCE: 61 FR 34073, July 1, 1996, unless otherwise noted.

§ 4047.1 Purpose and scope.

Section 4047 of ERISA gives the PBGC broad authority to take any necessary actions in furtherance of a plan restoration order issued pursuant to section 4047. This part (along with Treasury regulation 26 CFR 1.412(c)(1)–3) describes certain legal obligations that arise incidental to a plan restoration under section 4047. This part also establishes procedures with respect to these obligations that are intended to facilitate the orderly transition of a restored plan from terminated (or terminating) status to ongoing status, and to help ensure that the restored plan will continue to be ongoing consistent with the best interests of the plan's participants and beneficiaries and the single-employer insurance program. This part applies to terminated and terminating single-employer plans (except for plans terminated and terminating under ERISA section 4041(b)) with respect to which the PBGC has issued or is issuing a plan restoration order pursuant to ERISA section 4047.

§ 4047.2 Definitions.

The following terms are defined in § 4001.2 of this chapter: controlled group, ERISA, IRS, PBGC, plan, plan administrator, plan year, and single-employer plan.

§ 4047.3 Funding of restored plan.

(a) *General.* Whenever the PBGC issues or has issued a plan restoration order under ERISA section 4047, it

shall issue to the plan sponsor a restoration payment schedule order in accordance with the rules of this section. PBGC, through its Executive Director, shall also issue a certification to its Board of Directors and the IRS, as described in paragraph (c) of this section. If more than one plan is or has been restored, the PBGC shall issue a separate restoration payment schedule order and separate certification with respect to each restored plan.

(b) *Restoration payment schedule order.* A restoration payment schedule order shall set forth a schedule of payments sufficient to amortize the initial restoration amortization base described in paragraph (b) of 26 CFR 1.412(c)(1)–3 over a period extending no more than 30 years after the initial post-restoration valuation date, as defined in paragraph (a)(1) of 26 CFR 1.412(c)(1)–3. The restoration payment schedule shall be consistent with the requirements of 26 CFR 1.412(c)(1)–3 and may require payments at intervals of less than one year, as determined by the PBGC. The PBGC may, in its discretion, amend the restoration payment schedule at any time, consistent with the requirements of 26 CFR 1.412(c)(1)–3.

(c) *Certification.* The Executive Director's certification to the Board of Directors and the IRS pursuant to paragraph (a) of this section shall state that the PBGC has reviewed the funding of the plan, the financial condition of the plan sponsor and its controlled group members, the payments required under the restoration payment schedule (taking into account the availability of deferrals as permitted under paragraph (c)(4) of 26 CFR 1.412(c)(1)–3) and any other factor that the PBGC deems relevant, and, based on that review, determines that it is in the best interests of the plan's participants and beneficiaries and the single-employer insurance program that the restored plan not be reterminated.

(d) *Periodic PBGC review.* As long as a restoration payment schedule order issued under this section is in effect, the PBGC shall review annually the funding status of the plan with respect