



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

201538029

JUN 24 2015

Re: () ()

EIN:

Employer =

Plan Year Beginning in 2013 =

Dear :

This letter constitutes notice that approval has been granted for the change in assumptions described below. This approval applies for the Plan Year Beginning in 2013 and has been granted in accordance with section 430(h)(5)¹ of the Internal Revenue Code (the "Code") and section 303(h)(5) of the Employee Retirement Income Security Act of 1974 ("ERISA")².

In granting this approval, we have considered only the acceptability of the new assumptions and, as necessary, the method by which the transition is to be made between the prior and the new method. Accordingly, we are not expressing any opinion as to the accuracy or acceptability of any calculations or other material submitted with your request. Please note that this letter addresses only issues arising under section 430 of the Code and the approval granted herein should not be read to imply that the Plan as it stands satisfies the requirements of other sections of the Code.

Effective with the plan year that began in 2006, the Employer elected frozen airline plan funding relief under section 402(a)(1) of the Pension Protection Act of 2006 ("PPA '06"). Then on December 13, 2007, a law was enacted that allowed all pilots who reach age 60 on or after that date to continue flying until age 65. The proposed change in assumptions are in response to a subsequent study of pilot demographic experience from 2008 through 2012 completed in September 2013 by the plan's actuary, further supplemented with pilot retirement rates for 2013. These proposed changes in assumptions would reduce the Plans funding shortfall by more than \$50 million, consequently approval is required pursuant to section 430(h)(5) of the Code.

¹ Similar provisions appear in 412(c)(5)(B) of the Code prior to amendment by the PPA '06.

² Similar provisions appear in 302(c)(5)(B) of ERISA prior to amendment by the PPA '06.

Section 430(h)(5) of the Code, provides that no actuarial assumption may be changed that results in a decrease in the funding shortfall³ of the plan for the current plan year that exceeds \$50 million, or that exceeds \$5 million and is 5 percent or more of the funding target⁴ of the plan before such change, without approval from the Secretary.

This approval applies solely to the following revised assumptions used under the plan.

- (1) The revised form of payment for retirement-eligible active participants assumptions are as follows:

95.00% elect a lump sum form of payment
 3.25% elect a life annuity
 0.75% elect a 50% joint and survivor annuity
 1.00% elect a 100% joint and survivor annuity

- (2) The revised rates of retirement are shown in the following table:

<u>Age</u>	<u>Rate</u>
50 – 54	1%
55 – 59	1%
60	10%
61	5%
62 – 64	5%
65	100%

When filing Form 5500 for the Plan Year Beginning in 2013, enter on an attachment to the Schedule B (Actuarial Information) the date of this letter and label the attachment **"Schedule B, line 11 – Change in Actuarial Assumptions Approval Date."**

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

If you have any questions regarding this matter, please contact _____ of our office (ID# _____) at (_____) - _____.

Sincerely yours,

David M. Ziegler, Manager
 Employee Plans Actuarial Group 2

³ As defined in section 430(c)(4) of the Code.

⁴ As defined in section 430(d) of the Code.