



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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

OCT 16 2018

SE:T:EP:RA:AZ

Re:

Taxpayer =

EIN: -

Plans for which substitute mortality tables were requested:

Plan 1 =

EIN: -

Plan 2 =

EIN: -

Other plans in the Taxpayer's controlled group:

Plan 3 =

EIN: -

Plan 4 =

EIN: -

Plan 5 =

EIN: -

Plan 6 =

EIN: -

Dear :

This letter is to inform you that your request to use substitute mortality tables for making computations under section 430 of the Internal Revenue Code (the "Code") for Plans 1 and 2 has been granted with respect to the populations specified in this letter, effective for a period of 5 plan years beginning with the plan year commencing January 1, . Your request has been granted in accordance with section 430(h)(3) of the Code and section 303(h)(3) of the Employee Retirement Income Security Act of 1974.

Specifically, this approval applies to the following populations (the "Included Group"):

- Aggregated Plans 1 and 2 – Male Annuitants
- Aggregated Plans 1 and 2 – Female Annuitants

Based on the information provided by the Taxpayer, the following populations do not have credible mortality experience, and therefore the standard mortality tables will be used for calculations under section 430 of the Code:

- Aggregated Plans 1 and 2 - Male and Female Nonannuitants
- Plan 3 - All participants
- Plan 4 - All participants
- Plan 5 - All participants
- Plan 6 - All participants

In granting this approval, we have only considered whether the substitute mortality rates were developed correctly in accordance with section 1.430(h)(3)-2 of the Treasury Regulations ("Regulations") and Revenue Ruling 2017-55. Accordingly, we are not expressing any opinion as to the accuracy or acceptability of any calculations or other material submitted with your request.

Permission is hereby granted to use the substitute mortality rates shown in the table below for the Included Group:

Substitute Mortality Tables
Approved for use beginning with the plan year commencing January 1,
Base year

Age	Male Annuitant Rate	Female Annuitant Rate	Age	Male Annuitant Rate	Female Annuitant Rate
15			68		
16			69		
17			70		
18			71		
19			72		
20			73		
21			74		
22			75		
23			76		
24			77		

Age	Male Annuitant Rate	Female Annuitant Rate	Age	Male Annuitant Rate	Female Annuitant Rate
25			78		
26			79		
27			80		
28			81		
29			82		
30			83		
31			84		
32			85		
33			86		
34			87		
35			88		
36			89		
37			90		
38			91		
39			92		
40			93		
41			94		
42			95		
43			96		
44			97		
45			98		
46			99		
47			100		
48			101		
49			102		
50			103		
51			104		
52			105		
53			106		
54			107		
55			108		
56			109		
57			110		
58			111		
59			112		
60			113		

Age	Male Annuitant Rate	Female Annuitant Rate	Age	Male Annuitant Rate	Female Annuitant Rate
61			114		
62			115		
63			116		
64			117		
65			118		
66			119		
67			120		

The above rates were developed based on an experience study period from January 1, through December 31, , with a base year of . The rates were calculated by adjusting the applicable standard mortality tables in section 1.430(h)(3)-1(d) of the Regulations indicated in the table below, using the mortality ratio and credibility weighting factor individually determined for each separate population, as shown in the table below:

Included Group Population	Standard Base Mortality Table	Mortality Ratio	Credibility Factor
Male Annuitants	Male Annuitant Mortality	1.247721	1.000000
Female Annuitants	Female Annuitant Mortality	1.196610	0.788811

The Internal Revenue Service has reviewed the substitute mortality rates and supporting information, and has determined that based on the information submitted, the rates were correctly developed in accordance with section 1.430(h)(3)-2 of the Regulations and Revenue Ruling 2017-55.

The above rates must be applied on a generational basis, as provided in section 1.430(h)(3)-2(c)(3) of the Regulations.

Your attention is called to section 430(h)(3)(C)(ii) of the Code and section 1.430(h)(3)-2(d)(6) of the Regulations, which describe the circumstances in which the use of the substitute mortality table will terminate before the end of the 10-year period described above. In general, the substitute mortality tables can no longer be used as of the earliest of:

- (1) For a plan using a substitute mortality table for only one gender, the first plan year for which there is full or partial credible mortality information with respect to the other gender that had lacked credible mortality information (unless an approved substitute mortality table is used for that gender),
- (2) The first plan year in which the plan fails to satisfy the requirements of paragraph 1.430(h)(3)-2(c)(1) of the Regulations, regarding the requirement that other plans and populations in the controlled group must also use substitute mortality tables unless it can be demonstrated that they do not have credible mortality information (taking into account the transition period for newly affiliated companies in section 1.430(h)(3)-2(f)(3) of the Regulations),
- (3) The second plan year following the plan year for which there is a significant change in individuals covered by the plan as described in section 1.430(h)(3)-2(c)(6)(iii) of the Regulations,
- (4) The plan year following the plan year in which a substitute mortality table used for a plan population is no longer accurately predictive of future mortality of that population, as determined by the Commissioner or as certified by the Plan's actuary to the satisfaction of the Commissioner, or
- (5) The date specified in guidance published in the Internal Revenue Bulletin pursuant to a replacement of mortality tables specified under section 430(h)(3)(A) of the Code and 1.430(h)(3)-1 of the Regulations, other than annual updates to the static mortality tables issued pursuant to 1.430(h)(3)-1(a)(3) of the regulations or changes to the mortality improvement rates pursuant to section 1.430(h)(3)-1(a)(2)(i)(C) of the Regulations.

We draw your attention to the fact that the aggregated Plan 1 and Plan 2 male nonannuitants experienced 93 deaths during the experience study period (using the simplified rule described in section 1.430(h)(3)-2(c)(2)(ii)(B) of the Regulations). Note that this population will have credible mortality experience if it experiences at least 100 deaths during a 4-year period (corresponding to the length of the experience study used to construct the substitute mortality tables for the other populations). It will be important to monitor this population to ensure that appropriate action is taken if this occurs, to avoid violating paragraph (2) above.

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.

When filing Form 5500 for the plan years for which the substitute mortality tables are used, please note the information that is required to be attached to Schedule SB (Actuarial Information) in accordance with the instructions to that form.

We have sent a copy of this letter to your authorized representative pursuant to a power of attorney (Form 2848) on file in this office and to the Manager, EP Classification in Columbus, Ohio and to the Manager, EP Compliance Unit in Chicago, Illinois.

If you require further assistance in this matter, please contact
(ID#) at

Sincerely,

David M. Ziegler, Manager
Employee Plans Actuarial Group 2

cc: