



DEPARTMENT OF THE TREASURY **201904020**  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

OCT 30 2018

*TIERA: A2*

Re: Substitute Mortality Table Ruling

Taxpayer =

Plan S =

Other plans in controlled group:

Plan R =  
(EIN: , Plan No. )

Plan X =  
(EIN: , Plan No. )

Plan W =  
(EIN: , Plan No. )

Plan P =  
(EIN: , Plan No. )

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 Plan S has been granted with respect to the populations specified in this letter, effective for a period of 10 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:

- Plan S – Male participants (annuitants and nonannuitants), including disabled participants

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- Plan S – Female participants (annuitants and nonannuitants) including disabled participants

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:

- Plan P – all participants

The Taxpayer is also requesting approval for substitute mortality tables for Plans R, X, and W, which will be addressed in separate ruling letters.

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 Procedure 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 Plan S:

#### Substitute Mortality Tables

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

Age	Male Annuitants and Nonannuitants	Female Annuitants and Nonannuitants
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Age	Male Annuitants and Nonannuitants	Female Annuitants and Nonannuitants
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Age	Male Annuitants and Nonannuitants	Female Annuitants and Nonannuitants
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Age	Male Annuitants and Nonannuitants	Female Annuitants and Nonannuitants
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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 determined by aggregating male and female experience, as shown in the table below.

Population	Standard base mortality table	Mortality ratio	Credibility factor
Male Participants	Male combined annuitant/ nonannuitant mortality		
Female Participants	Female combined annuitant/ nonannuitant mortality		

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 Procedure 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.

This ruling also grants permission for the early termination of a substitute mortality table currently in place for the male population of Plan S, which was approved on November 13, , for the through plan years. This ruling results in a mortality table for this population which is based on more current data, and was requested by the Taxpayer in order to establish a consistent set of substitute mortality tables among Plans S, R, X, and W.

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 representatives pursuant to a power of attorney on file in this office and to the Manager, EP Classification in Columbus, Ohio and to the Manager, EP Compliance Unit in Chicago, Illinois.

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

Sincerely,

David M. Ziegler, Manager  
Employee Plans Actuarial Group 2

cc:

Manager, EP Classification  
Columbus, Ohio

Manager, EP Compliance Unit  
Chicago, Illinois