



TAX-EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

AUG 22 2025

Release Number: 202552043

Release Date: 12/26/2025

Re: Ruling request for base substitute mortality tables

Taxpayer =

EIN: -

Plans for which substitute mortality tables are requested:

Plan 1 =

EIN: - (Plan No.:)

Plan 2 =

EIN: - (Plan No.:)

Dear :

This letter is to inform you that the Taxpayer's request to use substitute mortality tables for making computations under section 430 of the Internal Revenue Code ("Code") for Plan 1 and Plan 2 has been granted with respect to the populations specified in this letter. This ruling is effective for a period of up to 10 plan years beginning with the plan year commencing January 1, 2026 for Plan 1 and Plan 2. The Taxpayer's request has been granted in accordance with section 430(h)(3)(C)(i) of the Code and section 303(h)(3)(C)(i) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

This approval applies to the following specific populations:

- Male annuitants of Plan 1 and Plan 2, excluding disabled annuitants
- Female annuitants of Plan 1 and Plan 2, excluding disabled annuitants
- Male non-annuitants of Plan 1 and Plan 2, excluding disabled non-annuitants
- Female non-annuitants of Plan 1 and Plan 2, excluding disabled non-annuitants

The Taxpayer has received two prior rulings. The first ruling, dated April 11, 2019, granted the use of base substitute mortality tables for Plan 1 and Plan 2, effective for a period up to 10 plan years beginning with the plan year commencing January 1, 2019. The experience study

period used to construct these base substitute mortality tables was the period from January 1, 2014 through December 31, 2016.

The Taxpayer then submitted a request for a ruling to use base substitute mortality tables for Plan 1 and Plan 2 for the plan year beginning January 1, 2023. The experience study period used to construct these base substitute mortality tables was the period from January 1, 2017 through December 31, 2020. This request was approved November 17, 2022, effective for a period up to 10 plan years commencing January 1, 2023. The approved use of the base substitute mortality tables currently being used will expire on December 31, 2032. However, in accordance with section 1.430(h)(3)-2(g) of the Treasury Regulations ("Regulations"), these previously approved substitute mortality tables can no longer be used beginning January 1, 2026 because they were developed under the previous section 1.430(h)(3)-2 of the Regulations. Therefore, the Taxpayer submitted this new request for a ruling to use base substitute mortality tables for Plan 1 and Plan 2 for the plan year beginning January 1, 2026, based on an experience study period from January 1, 2018 through December 31, 2022, with a base year of 2020.

The Taxpayer's request is made in accordance with section 430(h)(3)(C)(i) of the Code, section 303(h)(3)(C)(i) of ERISA, section 1.430(h)(3)-2 of the Regulations, and Revenue Procedure 2024-32.

Section 430(h)(3)(C)(i) of the Code states, in relevant part, that upon request by the plan sponsor and approval by the Secretary, a mortality table which meets the requirements of clause (iii) shall be used in determining any present value or making any computation under section 430 of the Code during the period of consecutive plan years (not to exceed 10) specified in the request.

Section 430(h)(3)(C)(ii) of the Code states, in relevant part, that notwithstanding clause (i), a mortality table described in clause (i) shall cease to be in effect as of the earliest of—

- (I) the date on which there is a significant change in the participants in the plan by reason of a plan spinoff or merger or otherwise, or
- (II) the date on which the plan actuary determines that such table does not meet the requirements of clause (iii).

Section 430(h)(3)(C)(iii) of the Code states, in relevant part, that a mortality table meets the requirements of this clause if—

- (I) there is a sufficient number of plan participants, and the pension plans have been maintained for a sufficient period of time, to have credible information necessary for purposes of subclause (II), and
- (II) such table reflects the actual experience of the pension plans maintained by the sponsor and projected trends in general mortality experience.

Section 1.430(h)(3)-2(c)(3)(i) of the Regulations states that a plan's substitute mortality tables must be generational mortality tables. A plan's substitute mortality tables are determined using the plan's base substitute mortality tables developed pursuant to paragraph (d) or (e) of this section and the mortality improvement factors described in paragraph (c)(3)(ii) of this section.

Section 1.430(h)(3)-2(c)(3)(ii) of the Regulations states, in relevant part, that the mortality improvement factor for an age and gender is the cumulative mortality improvement factor determined under section 1.430(h)(3)-1(b)(2)(ii) for that age and gender for the applicable period. The applicable period is the period beginning with the base year for the base substitute mortality table determined under paragraph (d) or (e) of this section and ending in the calendar year in which the individual attains the age for which the probability of death is being determined. The base year for the base substitute mortality table is the calendar year that contains the day before the midpoint of the experience study period.

Section 1.430(h)(3)-2(c)(6)(ii) of the Regulations states, in relevant part, that a plan's substitute mortality tables must not be used beginning with the earliest of—

- (A) For a plan using a substitute mortality table for only one gender because of a lack of credible mortality information with respect to the other gender, the first plan year for which there is credible mortality information with respect to the gender that had lacked credible mortality information (unless an approved substitute mortality table is used for that gender);
- (B) The first plan year for which the plan fails to satisfy the requirements of paragraph (c)(1) of this section (regarding use of substitute mortality tables for all plans in the controlled group), taking into account the rules of paragraph (f)(3) of this section (regarding the transition period for newly-affiliated plans);
- (C) The second plan year following the plan year for which there is a significant change in individuals covered by the plan as described in paragraph (c)(6)(iii) of this section;
- (D) The first plan year following the plan year for which a substitute mortality table used for a 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
- (E) The date specified in guidance published in the Internal Revenue Bulletin (see § 601.601(d) of this chapter) in conjunction with a replacement of mortality tables specified under section 430(h)(3)(A) and § 1.430(h)(3)-1 (other than changes to the mortality improvement rates under § 1.430(h)(3)-1(b)(1)(iii) or annual updates to the static mortality tables issued as noted in § 1.430(h)(3)-1(c)(1)(iv)).

Section 1.430(h)(3)-2(c)(6)(iii) of the Regulations states, in relevant part, that:

- (A) For purposes of applying the rules of paragraph (c)(6)(ii)(C) of this section, a significant change in the individuals covered by a substitute mortality table for a plan year occurs if the number of individuals covered by the substitute mortality table for the plan year is less than 80 percent or more than 120 percent of the average number of individuals in that population over the years covered by the experience study on which the substitute mortality tables are based. However, a change in coverage is not treated as significant if the plan's actuary certifies in writing to the satisfaction of the Commissioner that the substitute mortality tables used for the population continue to be accurately predictive of future mortality of that population (taking into account the effect of the change in the population).
- (B) For purposes of applying the rules of paragraph (c)(6)(ii)(C) of this section, a significant change in the individuals covered by a substitute mortality table for a plan year occurs if the number of individuals covered by the substitute mortality table for the plan year is less than 80 percent or more than 120 percent of the number of individuals covered by

the substitute mortality table in a plan year for which a certification described in paragraph (c)(6)(iii)(A) of this section was made on account of a prior change in coverage. However, a change in coverage is not treated as significant if the plan's actuary certifies in writing to the satisfaction of the Commissioner that the substitute mortality tables used by the plan with respect to the covered population continue to be accurately predictive of future mortality of that population (taking into account the effect of the change in the population).

Section 1.430(h)(3)-2(d)(2)(i) of the Regulations states, in relevant part, that the base substitute mortality table for a gender or other population must be developed from an experience study of the mortality experience of that population that is collected over an experience study period. The experience study period must consist of 2, 3, 4, or 5 consecutive 12-month periods, and must be the same period for all populations except as provided in paragraph (c)(5)(iii) of this section.

Section 1.430(h)(3)-2(d)(2)(ii) of the Regulations states, in relevant part, that:

- (A) Except as provided in paragraph (d)(2)(ii)(B) of this section, the last day of the experience study period must be less than 3 years before the first day of the first plan year for which the substitute mortality tables are to apply. For example, if January 1, 2019 is the first day of the first plan year for which the substitute mortality tables will be used, then an experience study using calendar year data generally must include data collected for a period that ends no earlier than December 31, 2016.
- (B) If the plan sponsor submits a request for approval to use substitute mortality tables more than 1 year (and less than 2 years) before the first day of the first plan year for which the substitute mortality tables are to apply, the experience study period is not treated as failing to satisfy the rule in paragraph (d)(2)(ii)(A) of this section if the last day of the final year reflected in the experience data is less than 2 years before the date of submission. For example, if an application for approval to use substitute mortality tables that would apply for plan year beginning on or after January 1, 2019 is submitted in 2017, then an experience study using calendar year data may be based on data collected for a period that ends as early as December 31, 2015.

Section 1.430(h)(3)-2(d)(2)(iii) of the Regulations states, in relevant part, that as provided in paragraph (d)(4)(i) of this section, the mortality rates under the base substitute mortality tables are amounts-weighted mortality rates that are derived from the experience study. An individual's benefit amount (which is used to determine amounts-weighted mortality rates and for other purposes under this paragraph (d)) is the individual's accrued benefit expressed in the form of an annual benefit commencing at normal retirement age (or at the current age, if later) if an individual has not commenced benefits and the individual's annual payment if the individual has commenced benefits. Because amounts-weighted mortality rates for a plan are determined using benefit amounts, the experience study used to develop a base substitute mortality table may not include periods before the plan was established.

Section 1.430(h)(3)-2(d)(3)(ii) of the Regulations states, in relevant part, that the population's benefit dispersion factor is equal to—

- (A) The number of expected deaths for the population during the experience study period (as defined in paragraph (d)(3)(iii) of this section); multiplied by

- (B) The sum of the mortality-weighted squares of the benefits (as defined in paragraph (d)(3)(iv) of this section); divided by
- (C) The square of the sum of the mortality-weighted benefits (as defined in paragraph (d)(3)(v) of this section).

Section 1.430(h)(3)-2(d)(4)(iii)(B) of the Regulations states, in relevant part, that if a 12-month period in the experience study period that begins after December 31, 2019, and before January 1, 2023, the probability of death for an individual under paragraph (d)(4)(ii)(A)(2)(i) of this section is determined as the mortality rate for the individual's age (at the beginning of the year) and gender from the standard mortality table determined under paragraph (d)(4)(iii)(A) of this section multiplied by the adjustment factor in Table 1 for the calendar year that includes the first day of the 12-month period. For example, for an experience study period that begins April 1, 2019, and ends March 31, 2023, the probability of death for the year beginning April 1, 2022, for a male annuitant who is age 65 as of that date is the probability of death from the base mortality table (0.01087), multiplied by the cumulative mortality improvement factor for the period from 2012 to 2021 (1.02292) and by the adjustment factor for the 2022 calendar year of 1.075, resulting in a probability of death of 0.01195.

Table 1 to paragraph (d)(4)(iii)(B)

Calendar year	Adjustment factor
2020	1.15
2021	1.15
2022	1.075

Section 1.430(h)(3)-2(d)(4)(iv) of the Regulations states, in relevant part, that mortality rates for ages 96 and older under the base substitute mortality table are determined using the rules of paragraph (d)(4)(i) of this section but substituting a modified ratio to the mortality ratio determined under paragraph (d)(4)(ii) of this section. The modified mortality ratio is determined as follows—

- (A) For ages 96 through 109, if the mortality ratio is greater than 1.0, the modified mortality ratio is equal to the mortality ratio for the population reduced by 1/15th of the excess of the mortality ratio over 1.0 for each year that the age exceeds 95.
- (B) For ages 96 through 109, if the mortality ratio is less than 1.0, the modified mortality ratio is equal to the mortality ratio for the population increased by 1/15th of the excess of 1.0 over the mortality ratio for each year that the age exceeds 95.
- (C) For ages 110 and older, the modified mortality ratio is equal to 1.0.

Section 1.430(h)(3)-2(g) of the Regulations states, in relevant part, that:

- (1) This section applies for plan years beginning on or after January 1, 2025. Except as provided in paragraph (g)(2) or (3) of this section, the substitute mortality table used for a plan for such plan year must comply with the rules of paragraphs (a) through (f) of this section.
- (2) If a plan sponsor has received approval from the Commissioner to use substitute mortality tables for a plan year beginning in 2025, then the plan's base substitute mortality tables that were approved are treated as satisfying the requirements of paragraph (d) or (e) of this section, as applicable, for that plan year.

- (3) A written request described in paragraph (b)(1)(i) of this section to use substitute mortality tables for a plan year that begins during 2025 does not fail to satisfy the timing requirement of paragraph (b)(1)(ii) of this section if it is submitted no later than October 31, 2024, provided that the plan sponsor agrees to a 90-day extension of the 180-day review period in accordance with paragraph (b)(2)(iv) of this section.

Revenue Procedure 2024-32 sets forth the procedure by which the sponsor of a defined benefit plan that is subject to the funding requirements of § 430 of the Code may request approval from the Internal Revenue Service for the use of plan-specific substitute mortality tables in accordance with § 430(h)(3)(C) and § 1.430(h)(3)-2 of the Regulations.

The Taxpayer's proposed substitute mortality tables were developed based on an experience study period from January 1, 2018 through December 31, 2022, with a base year of 2020. This satisfies the requirements under sections 1.430(h)(3)-2(c)(3) and (d)(2) of the Regulations.

The Taxpayer's proposed base substitute mortality tables were developed by adjusting the applicable standard mortality tables in section 1.430(h)(3)-1(d) of the Regulations with the mortality ratio and credibility weighting factors shown below.

Mortality Ratio and Credibility Weighting Factor Table

Population	Mortality Ratio	Credibility Percentage
Combined male and female annuitants from Plan 1 and Plan 2, excluding disabled annuitants		
Combined male and female non-annuitants from Plan 1 and Plan 2, excluding disabled non-annuitants		

Note that in determining the benefit dispersion factor under section 1.430(h)(3)-2(d)(3)(ii) of the Regulations, the Taxpayer incorrectly included the adjustments to the standard mortality table for 2020, 2021, and 2022 as described in section 1.430(h)(3)-2(d)(4)(iii)(B) of the Regulations. Based on the facts in this case, it was determined that correcting the dispersion factor would have an immaterial impact on the Taxpayer's proposed base substitute mortality tables. Therefore, we have not required a modification of the Taxpayer's proposed base substitute mortality tables. However, the Taxpayer should be aware that other substitute mortality table ruling requests may be denied or required to be corrected if the proposed base substitute mortality tables include an incorrect calculation of the benefit dispersion factor.

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

- Disabled participants of Plan 1 and Plan 2

In granting this approval, we have only considered whether the Taxpayer's proposed base substitute mortality tables were developed in accordance with section 1.430(h)(3)-2 of the Regulations and Revenue Procedure 2024-32. Accordingly, we are not expressing any opinion as to the accuracy or acceptability of any calculations or other materials submitted with the Taxpayer's request.

Permission is hereby granted to use the base substitute mortality rates shown in the table below for Plan 1 and Plan 2.

Base Substitute Mortality Tables
Approved for use beginning with the plan year commencing
January 1, 2026 for Plan 1 and Plan 2
Base year 2020

Age	Male Annuitants	Female Annuitants	Male Non-Annuitants	Female Non-Annuitants
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
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15				
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26				
27				
28				

Age	Male Annuitants	Female Annuitants	Male Non-Annuitants	Female Non-Annuitants
29				
30				
31				
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38				
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Age	Male Annuitants	Female Annuitants	Male Non-Annuitants	Female Non-Annuitants
70				
71				
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107				
108				
109				
110				

Age	Male Annuitants	Female Annuitants	Male Non-Annuitants	Female Non-Annuitants
111				
112				
113				
114				
115				
116				
117				
118				
119				
120				

The above base substitute mortality tables were developed based on an experience study period from January 1, 2018 through December 31, 2022, with a base year of 2020. The base substitute mortality tables listed above were verified by the Taxpayer's authorized representatives on July 11, 2025.

The Internal Revenue Service ("IRS") has reviewed the Taxpayer's proposed base substitute mortality tables and supporting information, and has determined that based on the information submitted, the Taxpayer's proposed base substitute mortality tables have been developed in accordance with section 1.430(h)(3)-2 of the Regulations and Revenue Procedure 2024-32.

The above base substitute mortality tables 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(c)(6)(ii) of the Regulations, which describe the circumstances in which the use of the base substitute mortality tables will terminate before the end of the 10-year period described above. In general, the base substitute mortality tables can no longer be used as of the earliest of:

- (A) 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),
- (B) The first plan year in which the plan fails to satisfy the requirements of section 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),
- (C) 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,
- (D) 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

- (E) 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 section 1.430(h)(3)-1 of the Regulations, other than changes to the mortality improvement rates under section 1.430(h)(3)-1(b)(1)(iii) of the Regulations or annual updates to the static mortality tables issued as noted in section 1.430(h)(3)-1(c)(1)(iv) of the Regulations.

Section 1.430(h)(3)-2(c)(6)(iii) of the Regulations provides that the use of the base substitute mortality tables must be discontinued after a significant change in coverage unless the plan's actuary certifies in writing to the satisfaction of the Commissioner that the base substitute mortality tables used for the population continue to be accurately predictive of future mortality of the population (taking into account the effect of the change in the population). For this purpose, a significant change in coverage occurs if the number of individuals covered by the base substitute mortality table for a plan year is less than 80 percent or more than 120 percent of either:

- (1) the average number of individuals in that population over the years covered by the experience study on which the base substitute mortality tables are based, or
- (2) the number of individuals covered by the base substitute mortality tables in a plan year for which a certification described in section 1.430(h)(3)-2(c)(6)(iii)(A) of the Regulations was made.

A certification must be provided each year that it is required under the section 1.430(h)(3)-2(c)(6)(ii)(C) of the Regulations, as described above, signed by the enrolled actuary for Plan 1 and Plan 2, stating that the base substitute mortality tables continue to be accurately predictive of the expected future mortality for Plan 1 and Plan 2. This certification must also contain a statement that:

- (A) The enrolled actuary is current with educational requirements set forth by the Joint Board for the Enrollment of Actuaries as well as any other actuarial designations asserted;
- (B) The enrolled actuary was personally involved in the determination that the substitute mortality table is still accurately predictive and provides the actuary's best estimate for the Plan;
- (C) In determining that the substitute mortality table is still accurately predictive, the enrolled actuary took into consideration the effect of business combinations, plan mergers or spinoffs and settlements/other risk transfers, and other events that would have similar effects on the relevant populations; and,
- (D) The enrolled actuary has the specific knowledge and experience to make the judgements set forth above and attests to these representations.

All required certifications must be provided on or before the date Form 5500 is filed for each plan year for which the certification is required and must be accompanied by the supporting

information relied upon by the enrolled actuary of Plan 1 and Plan 2 to make this certification. To the extent possible, please also provide the following supporting information:

- (A) The number of actual deaths during the experience study period used to develop the substitute mortality tables and the beginning and ending dates of the experience study period.
- (B) A table showing the number of expected deaths and actual deaths, reported separately as of December 31, 2023 and for each plan year beginning with deaths during the plan year ending December 31, 2023 through the plan year immediately preceding the most recent actuarial valuation, and in total.
- (C) A table similar to the stability demonstration required under section 8 of Revenue Procedure 2024-32, showing the average number of participants in the population covered by the substitute mortality table during the experience study period and the number of participants in that population as of the end of each plan year, beginning with December 31, 2023 through the plan year immediately preceding the most recent actuarial valuation, expressed both as a headcount and as a percentage of the average number of participants in the experience study.
- (D) A table showing a comparison of (i) the average ages and (ii) percentage of the population, by the following monthly single life annuity brackets: under \$100, between \$100 and \$250, between \$250 to \$500, between \$500 to \$1,000, between \$1,000 and \$1,500, and \$1,500 and over, along with the average age and average benefit amount for the population in total. This information should also be provided for the population in the experience study and at the end of each plan year, beginning with the valuation date for the first plan year that the certification is required, through the date immediately preceding the most recent actuarial valuation at the time the information is reported.
- (E) An explanation of any material changes in the population.

This information must be provided to David M. Ziegler (or to another individual designated by the Service) to the following address:

Internal Revenue Service
Attn: Mr. David M. Ziegler
TE/GE: SE:T:EP:RA:T:A2
IR-6213
1111 Constitution Ave. NW
Washington DC 20224-0002

Failure to provide this information by the due date may result in a requirement that the standard mortality tables must be used for purposes of section 430 of the Code, beginning with the earlier of:

- (1) the plan year for which the deadline for providing this information is missed, or
- (2) the date required for early termination of the use of the substitute mortality tables pursuant to section 1.430(h)(3)-2(c)(6)(ii) of the Regulations.

This letter ruling may be revoked or modified retroactively if there was a misstatement or omission of controlling facts, the facts at the time of the transaction are materially different from the controlling facts on which the letter ruling was based, or the transaction involves a

continuing action or series of actions and the controlling facts change during the course of the transaction.

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 the Form 5500 for Plan 1 and Plan 2 for the plan years for which these base 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 ruling to the Taxpayer's authorized representatives pursuant to the Power of Attorney and Declaration of Representative (Form 2848) on file with the IRS. Additionally, a copy of this letter ruling is being sent to the Manager, Classification Group 4 in Houston, Texas.

If you wish to inquire about this ruling, please contact Mr.
Number) at () - .

(ID Badge

Sincerely yours,

David M. Ziegler, Manager
Employee Plans Actuarial Group 2

Enclosures

Notice 437, Notice of Intention to Disclose (Rulings)
A deleted copy of the ruling

cc: