



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

201926022

APR 03 2019

T:EP: RA: A2

Re: Substitute Mortality Table Ruling

Taxpayer =

EIN:

Plans for which substitute mortality tables are requested (Included Group):

Union Plan 1 =

EIN: (Plan No. )

Union Plan 2 =

EIN: (Plan No. )

Union Plan 3 =

EIN: (Plan No. )

Union Plan 4 =

EIN: (Plan No. )

Other plans in controlled group:

Non-Union Plan 1 =

EIN: (Plan No. )

Non-Union Plan 2 =

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 the Included Group has been granted with respect to the populations specified in this letter. This ruling is effective for a period of 5 plan years beginning with the plan year commencing January 1, 2019. 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.

This approval applies to the following specific populations:

- Aggregated Union Plans 1, 2, 3 and 4 – Male annuitants (excluding disabled participants)
- Aggregated Union Plans 1, 2, 3 and 4 – Male nonannuitants (excluding disabled participants)
- Aggregated Union Plans 1, 2, 3 and 4 – Female annuitants (excluding disabled participants)
- Aggregated Union Plans 1, 2, 3 and 4 – Female nonannuitants (excluding disabled participants)

Based on the information provided by the Taxpayer, substitute mortality tables are requested for all plan populations in the Taxpayer's controlled group, except for disabled participants.

The Taxpayer is also requesting approval for substitute mortality tables for Non-Union Plans 1 and 2, which will be addressed in a separate ruling letter.

In granting this approval, we have only considered whether the substitute mortality rates were developed 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 the Included Group:

**Substitute Mortality Tables**  
Approved for use beginning with the plan year commencing January 1, 2019  
Base year 2014

Age	Male Annuitants	Female Annuitants	Male Nonannuitants	Female Nonannuitants
1				

Age	Male Annuitants	Female Annuitants	Male Nonannuitants	Female Nonannuitants
2				
3				
4				
5				
6				
7				
8				
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Age	Male Annuitants	Female Annuitants	Male Nonannuitants	Female Nonannuitants
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Age	Male Annuitants	Female Annuitants	Male Nonannuitants	Female Nonannuitants
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Age	Male Annuitants	Female Annuitants	Male Nonannuitants	Female Nonannuitants
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The above rates were developed based on an experience study period from January 1, 2012 through December 31, 2016, with a base year of 2014. The rates were calculated by adjusting the applicable standard mortality tables in section 1.430(h)(3)-1(d) of the Regulations, using the mortality ratio and credibility weighting factor determined by aggregating male and female experience, as shown in the table below.

Population	Mortality Ratio	Credibility Factor
Annuitants		
Nonannuitants		

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 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 5-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),

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- (2) 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),
- (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 section 1.430(h)(3)-1 of the Regulations, other than annual updates to the static mortality tables issued pursuant to section 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.

In particular, section 1.430(h)(3)-2(c)(6)(iii) provides that the use of 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 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 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 substitute mortality table is based, or (2) the number of individuals covered by the substitute mortality table in a plan year for which a certification described in section 1.430(h)(3)-2(6)(c)(iii)(A) of the Regulations was made.

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 have any questions concerning this matter, please contact (ID# ) at ( ) - .

Sincerely,

David M. Ziegler, Manager  
Employee Plans Actuarial Group 2

cc:

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