



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

202004022

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

OCT 30 2019

T. EP. RA. AZ

Re: Substitute Mortality Table Ruling

Taxpayer =

Plan 1 =

Plan 2 =

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 1 and Plan 2 has been granted with respect to the populations specified in this letter. This ruling is effective for a period of plan years beginning with the plan year commencing January 1, 20 . 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 Plan 1 and Plan 2 male annuitants, excluding disabled participants
- Aggregated Plan 1 and Plan 2 female annuitants, excluding disabled participants

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 Income Tax 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 1 and Plan 2:

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

Age	Male Annuitants	Female Annuitants
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		

Age	Male Annuitants	Female Annuitants
50		
51		
52		
53		
54		
55		
56		
57		
58		
59		
60		
61		
62		
63		
64		
65		
66		
67		
68		
69		
70		
71		
72		
73		
74		
75		
76		
77		
78		
79		
80		
81		
82		
83		
84		
85		
86		
87		
88		
89		
90		
91		
92		

Age	Male Annuitants	Female Annuitants
93		
94		
95		
96		
97		
98		
99		
100		
101		
102		
103		
104		
105		
106		
107		
108		
109		
110		
111		
112		
113		
114		
115		
116		
117		
118		
119		
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, using the mortality ratio and credibility weighting factor determined by aggregating Plan 1 and Plan 2 experience, but separate male and female experience, as shown in the table on the next page.

	Mortality Ratio	Credibility Weighting Factor
Aggregated Plan 1 and Plan 2 male annuitants, excluding disabled participants		
Aggregated Plan 1 and Plan 2 female annuitants, excluding disabled participants		

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(c)(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 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.

We draw your attention to the fact that the male nonannuitants experienced 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 deaths during a year period (corresponding to the length of the experience study used to construct the substitute mortality tables for the other populations). It is important to monitor this population to ensure that appropriate action is taken should this occur, to avoid violating paragraph (2) above.

Also note that 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 percent or more than 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 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.

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

Sincerely,

David M. Ziegler, Manager
Employee Plans Actuarial Group 2

cc: