Part III

04/16/07 DRAFT Administrative, Procedural and Miscellaneous

26 CFR 601.201: Rulings and determination letters.
(Also Part I, § 430.)

Rev. Proc. 2007-xx

SECTION 1. PURPOSE

The purpose of this revenue procedure is to outline the procedure by which the sponsor of a defined benefit plan, other than a multiemployer plan, may request and obtain approval for the use of plan-specific substitute mortality tables in accordance with section 430(h)(3)(C) of the Internal Revenue Code (Code) and section 303(h)(3)(C) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

SECTION 2. BACKGROUND INFORMATION

.01 Section 412 of the Code provides minimum funding requirements for defined benefit pension plans. Section 430 of the Code, which was added by the Pension Protection Act of 2006, Pub. L. No. 109-280, 120 Stat. 780 specifies the minimum funding requirements pursuant to section 412 and is generally effective for plan years beginning on or after January 1, 2008. Section 430(h)(3)(C) of the Code and section 303(h)(3)(C) of ERISA provide that the Secretary of the Treasury may approve the use of substitute mortality tables to be used in determining any present value or making any computation under those sections for a period not to exceed ten years. Mortality tables meet the requirements for substitute mortality tables if the pension plan has a sufficient number of plan participants and the plan has been maintained for a sufficient period of time in order to have credible mortality experience, and such tables reflect the actual experience of the plan and projected trends in general mortality experience of participants in pension plans. Except as provided by the Secretary, a plan sponsor cannot use substitute mortality tables for any plan unless substitute mortality tables are established and used for each other plan maintained by the plan sponsor and the plan sponsor's controlled group.

.02 Section 1.430(h)(3)-3 of the proposed regulations setting forth rules for the use of substitute mortality tables under section 430(h)(3)(C) was issued ----------. Under the proposed regulations, substitute mortality tables must reflect the actual mortality experience of the pension plan maintained by the plan sponsor for which the tables are to be used and that mortality experience

must be credible. Separate mortality tables must be established for participants of each gender under the plan, and a substitute mortality table is permitted to be established for a gender only if the plan has credible mortality experience with respect to that gender. If the mortality experience for one gender is credible but the mortality experience for the other gender is not credible, the substitute mortality tables are used for participants of the gender that has credible mortality experience, and the mortality tables under §1.430(h)(3)-1 of the proposed regulations are used for participants of the gender that does not have credible mortality experience. Because separate mortality tables may be used for disabled participants under section 430(h)(3)(D), the mortality experience used to develop mortality rates under substitute mortality tables must exclude disabled participant deaths if the plan uses the tables under section 430(h)(3)(D) for the plan's disabled participants.

Under the proposed regulations, a substitute mortality table is based on credible mortality experience for a gender within a plan if and only if the mortality experience is based on at least 1,000 deaths within that gender over the period covered by the experience study. The experience study must be based on mortality experience data over a 2, 3, or 4-consecutive year period, the last day of which must be less than 3 years before the first day of the first plan year for which the substitute mortality tables are to apply.

Development of a substitute mortality table under the proposed regulations requires creation of a base table and identification of a base year, which are then used to determine a substitute mortality table. The base table would be developed from a study of the mortality experience of the plan using amounts-weighted data. The proposed regulations also set forth rules regarding development of amounts-weighted mortality rates for an age and the determination of the base year. The proposed regulations provide that amounts-weighted mortality rates may be derived from amounts-weighted mortality rates for age groups.

In general, substitute mortality tables are permitted to be used for a plan only if the use of substitute mortality tables is approved for each other pension plan subject to the requirements of section 430 that is maintained by the plan sponsor or by a member of the sponsor's controlled group. However, under the proposed regulations, the use of substitute mortality tables for one plan would not be prohibited merely because another plan maintained by the plan sponsor (or by a member of the plan sponsor's controlled group) cannot use substitute mortality tables because neither the males nor the females have credible mortality experience for a plan year. Thus, if a sponsor's controlled group contains two pension plans subject to section 430, each of which has credible mortality experience for at least one gender, either both plans must obtain approval from the Commissioner to use substitute mortality tables or neither plan may use substitute mortality tables. By contrast, if for one of those plans neither males nor females have credible mortality experience,

that plan will not interfere with the ability of the plan with credible mortality experience to use substitute mortality tables.

SECTION 3. GENERAL ADMINISTRATIVE PROCEDURES

.01 Until final regulations are issued, requests for the use of substitute mortality tables must satisfy the requirements of section 1.430(h)(3)-2 of the proposed regulations. Thereafter, such requests must satisfy the requirements of the final regulations. Hereinafter, section 1.430(h)(3)-2 of the proposed regulations and such final regulations will be collectively referred to as the "mortality regulations".

.02 Submission.--Requests for the use of substitute mortality tables must be submitted to:

Internal Revenue Service
Attention: EP Letter Rulings
P.O. Box 27063
McPherson Station
Washington, D.C. 20038

The user fee required by section 3.01(10) (All other letter rulings) of Rev. Proc. 2007-8, 2007-1 I.R.B. 230, or its successors, must be sent with such requests.

.03 Necessary Procedural Documents.--A request will not be considered unless it complies with (1) through (4) below.

(a) The request must be signed by the employer maintaining the plan(s) (hereinafter referred to as "applicant") or an authorized representative of the applicant who must be identified in (a), (b), (c), (d) or (e) of subsection 9.02(11) of Rev. Proc. 2007-4, 2007-1 I.R.B. 118, or its successors. Where an authorized representative signs the request or will appear before the Service in connection with the request, a properly signed and dated Form 2848, Power of Attorney and Declaration of Representative, must be submitted with the request. An individual is not an authorized representative of the applicant merely on account of being the administrator or trustee of the plan.

(b) The request also must contain a declaration in the following form: "Under the penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of the request are true, correct, and complete." This declaration must be signed by the applicant (e.g., an authorized officer of a corporation). The signature of an individual with a power of attorney will not

suffice for the declaration. See section 9.02(13) of Rev. Proc. 2007-4, supra at 136.

(c) If there are plans for whom the use of these mortality tables are requested that are maintained by other members of the plan sponsor's controlled group, each employer maintaining each such plan (or their authorized representative) must also sign the request and a penalty of perjury form. In such cases, the employers maintaining the plans for which the use of mortality tables is requested will be collectively hereinafter referred to as "applicant".

(d) Because a request for the use of substitute mortality tables constitutes a request for a ruling, compliance with section 6110 of the Code is also required. Section 601.201 of the Statement of Procedural Rules sets forth the requirements applicable to requests for rulings and determination letters which are subject to section 6110. Section 601.210(e) furnishes specific instructions to applicants.

The applicant must provide with the request either a statement of proposed deletions and the statutory basis for each proposed deletion, or a statement that no information other than names, addresses, and taxpayer identifying numbers need be deleted.

.04 Checklist.--A checklist has been provided in Appendix A for the convenience of the applicant submitting the request. This checklist should be signed, by the applicant or authorized representative, and dated and placed on top of the request.

SECTION 4. DEADLINE FOR REQUESTING THE USE OF SUBSTITUTE MORTALITY TABLES

.01 All requests for use of substitute mortality tables must be submitted at least 7 months prior to the first day of the first plan year for which the substitute mortality tables are to apply. Thus, for example, the deadline is June 1, 2008, if the first plan year to which substitute mortality tables are to apply is the plan year that begins January 1, 2009.

.02 Generally, incomplete requests for the use of substitute mortality tables will be summarily denied absent mutual agreement of the Secretary and the applicant to extend the 180-day period specified under section 430(h)(3)(c)(v)(II) of the Code. Except as provided under subsection .03, the applicant should not assume that the Secretary will agree to extend the 180-day period for requests that do not include substantially all of the information specified in Sections 5 through 12 of this revenue procedure, and that such incomplete requests will not be summarily denied.

.03 Special Rule for Requests Submitted Prior to October 1, 2007. In the case of a timely request received prior to October 1, 2007, applicants that merely include the items specified in subsection .04 of this section will, upon request, receive approval to delay the commencement of the 180-day review period provided under section 430(h)(3)(C)(v)(II) of the Code until the earlier of the date a subsequent complete request is received and October 1, 2007.

.04 Required items

(a) The applicable user fee specified in Revenue Procedure 2007-8

(b) All of the procedural documents specified in Section 3.02

(c) A statement identifying the first day of the first year for which the use of substitute mortality tables is requested

(d) The information described in section 6.01 for the plan(s) for which the use of substitute mortality tables is requested

(e) The information described in section 6.02 (with the exception of section 6.02(g)) for the plans for which the use of substitute mortality tables are not requested

SECTION 5. GENERAL RULES

.01 A separate request must be made with respect to each plan (or group of plans permissively aggregated in accordance with the mortality regulations; hereinafter, the "Permissive Group") for which the use of a substitute mortality table or tables ("Base Tables") is requested. The request must include a complete copy of the Base Tables. The request must state the first day of the first plan year for which Base Tables are to be applicable (the "Requested Effective Plan Year") and must state the term of years (not more than 10) that the tables are requested to be used. Each request also must identify the Base Year of the Base Table(s).

.02 The request must include a description of the populations for which the use of substitute mortality tables is requested and a description of the populations, if any, for which the use of substitute mortality tables is not requested.

For example, if the use of substitute mortality tables is merely requested for nondisabled female participants, the population for whom the use of substitute mortality tables is requested would be described as "Female Nondisabled Participants" and the populations for whom the use of substitute mortality tables is not requested would be described as "Female Disabled Participants", "Male Nondisabled Participants", and "Male Disabled Participants".

Similarly, if the use of substitute mortality tables is merely requested for male annuitants and females on a combined annuitant/nonannuitant basis, each without regard to disability, the populations for whom the use of substitute mortality tables is requested would be described as “Male Annuitants” and “Female Participants”, and the population for whom the use of substitute mortality tables is not requested would be described as “Male Nonannuitants”.

.03 The request must include the plan-specific information described in Section 6, the credible mortality demonstrations described in Section 7, the stability demonstrations described in Section 8, the lack of credible mortality demonstrations described in Section 9, the unadjusted mortality experience described in accordance with Section 10, the methods used to adjust the unadjusted mortality experience described in accordance with Section 11, and the reasonability demonstrations described in Section 12.

.04 If there are other plans maintained by the applicant that have credible experience for which the use of substitute mortality tables will be requested in a separate request, the applicant may request that the 180-day review period provided under section 430(h)(3)(C)(v)(II) of the Code not commence until the earlier of 90 days after the date of submission of the request and the date such separate request is received.

Example. Employer E maintains Plans A and B, each of which has had over 2,500 deaths in each of the last five years. Employer E submits a request for the use of substitute mortality tables for Plan A on May 15 (the “A Request”). Employer E may request that the 180-day review period of the A Request not begin until the earlier of August 13 and the date a separate request for the use of substitute mortality tables for Plan B is submitted.

.05 If a plan is permissively aggregated in accordance with the mortality regulations, all populations within the plan must be so aggregated.

Example. Employer F maintains Plans C, D, and E, each of which had 2,000 male deaths and 100 female deaths in each of the last five years. Employer F may request to use one substitute male mortality table and one substitute female mortality table for Plans C, D, and E. However, Employer F may not request to use three different substitute male mortality tables for Plans C, D, and E, and concurrently request to use one substitute female mortality table for Plans C, D, and E.

SECTION 6. IDENTIFICATION OF PLANS

.01 The following plan-specific information must be submitted for the plan (or for each plan within the Permissive Group) for which the use of substitute mortality tables is requested:

(a) Plan name

(b) Plan number

(c) Plan year (i.e. calendar, or if fiscal, the first and last day)

(d) Employer identification number

(e) Date of plan establishment

(f) Copy of the actuarial valuation reports for each plan year occurring during the Experience Study Period

.02 The following information must be submitted for each other plan maintained by the applicant for which the use of substitute mortality tables is not requested:

(a) Plan name

(b) Plan number

(c) Plan year (i.e. calendar, or if fiscal, the first and last day)

(d) Employer identification number

(e) Date of plan establishment

(f) if the plan is newly acquired, the date of the merger, acquisition, or similar transaction described in section 1.410(b)-2(f) of the regulations, and the date described in section 410(b)(6)(C)(ii)(II) of the Code.

(g) the Lack of Credibility Demonstration Period, or, if the plan is not required to identify such a period, the applicable exception. (See Section 8 of this revenue procedure).

.03 The following information must be submitted for each plan maintained by the applicant that was previously spun off from another plan maintained by the applicant within five year of the date of the request

(a) Plan Name

(b) Plan Number

(c) Employer Identification Number

(d) Date of Spinoff

(e) Plan Name, Number, and Employer Identification Number of the plan from which the spinoff occurred

(f) Reason for the spinoff

SECTION 7. DEMONSTRATION OF CREDIBLE MORTALITY EXPERIENCE

.01 The applicant's request must identify the period of time covered by the experience study (the "Experience Study Period") used to develop the Base Table(s) and must identify the Base Year. Different Experience Study Periods for different populations within a plan are not permitted. Except as provided in subsection .02, different Experience Study Periods for different plans within the Permissive Group are not permitted. Thus, except as provided in subsection .02 of this section, in order for newly acquired plans to be included in the Permissive Group, mortality experience data must be submitted for the entire Experience Study Period even if portions of this period predate the date the plan became maintained within the new plan sponsor's controlled group.

.02 Plans that came into existence by reason of a spinoff from a plan within the Permissive Group must be included in the Permissive Group if the Commissioner determines that one purpose of the spinoff was to avoid the use of substitute mortality tables for one of the plans that were involved in the spinoff. Plans that came into existence by reason of a spinoff from a plan within the Permissive Group may, at the option of the applicant, be included in the Permissive Group in situations in which the Commissioner does not make this determination. In either case, if the date of the spinoff is subsequent to the first day of the Experience Study Period, the period of time covered by the experience study with respect to the spun off plan will begin as of the date of the spinoff and end as of the last day of the Experience Study Period. Of course, the experience of the participants of the spun off plan from the first day of the Experience Study Period to the date of the spinoff must be included as part of the experience of the single plan that existed before the spinoff.

.03 Plans that came into existence subsequent to the first day of the Experience Study Period by reason other than a spinoff from a plan within the Permissive Group may not be included in the Permissive Group.

.04 Plans that were acquired subsequent to the first day of the Experience Study Period may be included in the Permissive Group only if the applicant includes mortality experience for the full period of the Experience Study Period. Thus, in order to be included in the Permissive Group, such plans must include experience that occurred before the plan was maintained by the applicant.

.05 In order to demonstrate credibility, the number of deaths during each year of the Experience Study Period within each population for which the use of substitute mortality tables is requested must be provided in tabular form, both on an aggregate basis (if plans are permissively aggregated) and on an individual plan basis.

SECTION 8. DEMONSTRATION OF STABILITY

.01 The following information must be provided in tabular form for each population within the Permissive Group for which the use of a substitute mortality table is requested, both on an aggregate basis if each plan in the Permissive Group has the same plan year, and on an individual plan basis:

(a) the number of participants within the population under that plan as of the last day of the plan year that began two years before the first day of the plan year for which the use of substitute mortality tables is requested. If there are plans within the Permissive Group with different plan years, subtotals of plan participants for each such plan year must be provided.

(b) the number of participants under the plan within that population as of the first day and last day of each plan year occurring during the Experience Study Period. If there are plans within the Permissive Group with different plan years, subtotals of plan participants for each such plan year must be provided.

(c) the average number of plan participants within that population during the Experience Study Period. If there are plans within the Permissive Group with different plan years, average numbers of plan participants for each such plan year must be provided.

.02 If the number of participants within any population (for which the use of substitute mortality tables is requested) covered under a plan on an aggregate basis, as of the last day of the plan year before the request to use substitute mortality tables is made compared to the average number of plan participants during the Experience Study Period reflects a difference of 20 percent or more, an analysis that shows that the mortality experience during the Experience Study Period is still accurately predictive of the future mortality of the plan's participants must be submitted. If there are plans within the Permissive Group with different plan years, such descriptions must be provided with respect to each such population within a plan year that reflects a difference of 20 percent or more.

SECTION 9. DEMONSTRATION OF LACK OF CREDIBLE MORTALITY EXPERIENCE

.01 General Rule. – For all plans maintained by the applicant, except as described in subsection .02 of this section, a 4-year period of time used to demonstrate a lack of credible mortality experience must be identified (hereinafter, the “Lack of Credibility Demonstration Period”). Different Lack of Credibility Demonstration Periods for different populations or different plans within the Permissive Group are not permitted. For plans not within the Permissive Group, the Lack of Credibility Demonstration Period must be the same for each gender. Plans within the Permissive Group for which the use of substitute mortality table is requested for all populations do not have to identify a Lack of Credibility Demonstration Period.

.02 Exceptions - Plans described in paragraphs (a), (b), or (c) are not required to identify a Lack of Credibility Demonstration Period. Plans described in paragraph (d) are permitted to identify a Lack of Credibility Demonstration Period of less than four years in length.

(a) plans for which the use of substitute mortality tables is, or will be requested in a concurrent request within 90 days of the request.

(b) plans for which the use of substitute mortality tables has previously been approved by the Secretary and the term of years of such approval ends subsequent to the Requested Effective Plan Year.

(c) newly acquired plans for which the last day of the period described in section 410(b)(6)(C) of the Code as of the date of the submission date is not more than 3 before the first day of the Requested Effective Plan Year, and for which the applicant has elected not to include mortality experience for the period prior to the date of acquisition.

(d) newly acquired plans for which the last day of the period described in section 410(b)(6)(C) of the Code with respect to the plan is a date more than 3 years but less than 7 years before the first day of the Requested Effective Plan Year, and for which the applicant has elected not to include mortality experience prior to the date of the acquisition. For such plans the Lack of Credibility Demonstration Period must begin no later than the last day of the period described in section 410(b)(6)(C) and must end no earlier than 3 before the first day of the Requested Effective Plan Year.

.03 In order to demonstrate lack of credibility, the following information must be provided in tabular form:

(a) the number of deaths during the Lack of Credibility Demonstration Period within each relevant population within each plan within the Permissive Group for which the use of substitute mortality tables is not requested must be identified on an aggregate basis, and on an individual plan basis. For example, if the request is to use substitute mortality tables merely for

nondisabled male participants, the relevant populations to demonstrate lack of credibility are male disabled participants, female nondisabled participants, and female disabled participants. Similarly, if the request is to use substitute mortality table merely for male annuitants without regard to disability, the relevant populations are male non-annuitants and female participants, each without regard to disability.

(b) the number of deaths within each gender within each plan that is not within the Permissive Group and which does not fall within one of the exceptions provided in subsection .02(a), (b), or (c) of this section, during the Lack of Credibility Demonstration Period must be identified on an individual plan basis.

SECTION 10. UNADJUSTED MORTALITY EXPERIENCE

.01 The following information must be provided in tabular form for each population for whom the use of a separate mortality table is requested, both on an aggregate basis (if plans are permissively aggregated) and on an individual plan basis, for each year of the Experience Study, and for the Experience Study in its entirety, for all ages between 18 and 100 (except as provided in subsection. 03 of this section):

(a) the sum of the accrued benefits of all participants at that age at the beginning of the year

(b) the sum of the accrued benefits of all participants at that age at the beginning of the year who died during the year

(c) the sum of the accrued benefits of all participants at that age at the beginning of the year who left the population during the year for reasons other than death

(d) the sum of the accrued benefits of all participants at that age at the beginning of the year adjusted for participants who left the population for reasons other than death (“the Adjusted Benefits”)

(e) the quotient determined by dividing the sum of the accrued benefits of all participants who died during the year by the Adjusted Benefits

(f) the number of participants at that age at the beginning of the year

(g) the number of participants at that age at the beginning of the year who died during the year

(h) the number of participants at that age at the beginning of the year who left the population for reasons other than death

(i) the average accrued benefit of all participants at that age at the beginning of the year

(j) the average accrued benefit of all participants at that age at the beginning of the year who died during the year

(k) the average accrued benefit of all participants at that age at the beginning of the year who left the population for reasons other than death

.02 Methods of Adjustment of Accrued Benefits for Participants who Left for Reasons Other than Death. A description of such methods must be included in the submission.

.03 Grouping of Ages. The information requested in subsection .01 may be presented in five year age groups. In such cases, the groups at the tails may include more than five ages provided such groups do not include ages greater than age 19 or less than age 95. Thus, for example, an age group consisting of all ages 19 and lower would be permissible whereas an age group consisting of all ages 20 and lower would not be permissible.

.04 Base Unadjusted Tables. Base Unadjusted Tables for each populations for whom the use of substitute mortality tables are requested shall, for all ages or all groups of ages, consist of the quotients determined by dividing the sum of the accrued benefits of all participants for such ages who died during the year by the Adjusted Benefits for such ages.

SECTION 11. ADJUSTED MORTALITY EXPERIENCE

.01 In general. The Base Table(s) may be created from the Unadjusted Base Table(s) using any generally recognized graduation method (e.g. Whitaker Henderson Type B, Karup-King). A Base Table may, at its tails, grade into the applicable Base (Year 2000) Mortality Table in the mortality regulations projected to the Base Year, at ages for which there does not exist sufficient unadjusted data. For example, a male annuitant substitute mortality table would be permitted to grade into the Base (Year 2000) Male Annuitant Mortality Table, (projected to the Base Year) specified in the mortality regulations. In situations in which the substitute mortality tables are merely gender specific, the Base Table may grade into a combined (projected to the Base Year) non-annuitant/annuitant mortality table created using the weighting factors in the mortality regulations. In situations where there are other population divisions (for example, hourly and salaried), the substitute mortality tables may grade into either the Base (Year 2000) Annuitant Table or the Base (Year 2000) Non-Annuitant Mortality Table or a combined Base (Year 2000) Mortality Table, in all cases projected to the Base Year.

Hereinafter, the Base (Year 2000) Mortality Tables, projected to the Base Year, will be referred to as the "Standard Tables".

.02 Information Regarding Graduation Methods. The parameters of the graduation method used must be specified (e.g. for Whitaker Henderson Type B, the number of differences and the "h" value must be specified). If more than one graduation is performed, the parameters must be specified for each such graduation.

.03 Intermediate Values. If more than one graduation is performed in the process of adjusting an Unadjusted Base Table to a Base Table, each intermediate table so created must be provided.

.04 Rationale – The rationale for the selection of the particular Graduation method used must be provided along with the rationale for the selection of the particular parameters used as part of the method.

.05 Alternative Methods of Development of Base Tables

(1) In general. The Base Tables may be created through adjustments to the Standard Tables prescribed by the Secretary. In such cases, the adjustments to the Standard Tables may be determined using either the First or Second Alternative Method described below.

(2) First Alternative Method. Under this method, the Unadjusted Base Table(s) are first graduated as in subsection .01. Next, an analysis of the ratios of the rates from the graduated Unadjusted Base Table(s) with the rates from the applicable Standard Tables is performed to determine whether adjustment(s) can be made to the Standard Tables to determine Base Tables that will reflect the experience of the plan(s) for which the use of substitute mortality tables are requested. If it is determined that such an adjustment can be made, a copy of the analysis must be submitted.

(3) Second Alternative Method. Under this method, the ratios of the rates from the Unadjusted Base Table(s) to the rates from the applicable standard table(s) are first submitted. Next, the ratios so created are graduated using any recognized graduation method. Lastly, an analysis of the graduated ratios is performed to determine whether adjustment(s) can be made to the Standard Tables to determine Base Tables that will reflect the experience of the plan(s) for which the use of substitute mortality tables are request. If it is determined that such an adjustment can be made, a copy of the analysis must be submitted.

(4) Under either the First or the Second Alternative Method, as in subsection .01, the parameters of the graduation method used must be specified, intermediate values must be submitted, and a rationale for the use of the

particular graduation method and the particular parameters within the graduation method must be provided.

(5) Base Year Unchanged. Regardless of the calendar year for which the Standard Table(s) are to be used, the Base Year of the Base Tables is the calendar year in which the second year of the Experience Study Period begins unless the Experience Study Period is two years. In such cases, the Base Year is the calendar year in which the Experience Study Period begins.

SECTION 12. Tests of Reasonability of Base Tables

The following information must be provided in tabular form for each population for which the use of substitute mortality tables is requested:

.01 Annuity Factors determined at interest rates of 3%, 5%, and 7%

(1) for all Base Tables with the exception of annuitant Base Tables

(a) deferred to age 55 factors at quinquennial ages from 20 to 50

(b) deferred to age 65 factors at quinquennial ages from 20 to 60

(c) deferred to age 75 factors at quinquennial ages from 20 to 70

(d) for all Base Tables with the exception of nonannuitant Base Tables – immediate annuity factors from ages 50 to 90

.02 Aggregate Liabilities of the plan(s) for which the use of substitute mortality tables is requested determined in accordance with the following:

(a) using the population of the plan(s) for a plan year ending no earlier than the last day of the last plan year included, in any part, in the Experience Study Period

(b) using the Base Tables and, for comparison, the static annuitant and non-annuitant mortality tables in effect as of the first day of the Requested Effective Plan Year

(c) liabilities are to be determined as the present value of all benefits accrued or earned under the plan(s) as of the first day of the plan year

.03 Graphical Displays

The following information must be displayed in graphical form for each population for which the use of substitute mortality tables is requested.

A graph whose X axis is age and whose Y axis is mortality rate, showing the unadjusted mortality rates and the rates from the applicable proposed substitute mortality table.

SECTION 13. EFFECTIVE DATE

This revenue procedure is effective May 1, 2007.

SECTION 14. PAPERWORK REDUCTION ACT

The collection of information contained in this revenue procedure has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. section 3507) under control number 1545-____.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collection of information in this revenue procedure is in sections 3, 4-11 and Appendix A. This collection of information is required to evaluate, process and obtain approval of the request for the use of substitute mortality tables. This information will be used to make determinations under § 430(h) of the Code. The likely respondents are businesses or other for-profit institutions and nonprofit institutions.

The estimated total annual reporting/recordkeeping burden is 25,400 hours.

The estimated annual burden per respondent/recordkeeper varies from 335 to 681 hours, depending on individual circumstances, with an estimated average burden of 508 hours. The estimated annual number of respondents/recordkeepers is 50.

The estimated annual frequency of responses is once every ten years.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. section 6103.

DRAFTING INFORMATION

The principal author of this revenue procedure is Lawrence E. Isaacs of the Employee Plans, Tax Exempt and Government Entities Division. For further

information regarding how this revenue procedure applies to employee plans matters, contact the Employee Plans Customer Assistance Service at 1–877–829–5500 (a toll-free call). Mr. Isaacs's telephone number is (202) 283–9710 (not a toll-free call).

Appendix A

REQUEST FOR THE USE OF SUBSTITUTE MORTALITY TABLES
CHECKLIST
IS YOUR SUBMISSION COMPLETE?

Instructions

The Service will be able to respond more quickly to your request for the use of substitute mortality tables if it is carefully prepared and complete. To ensure your request is in order, use this checklist. Answer each question in the checklist by inserting Y for yes, N for no, or N/A for not applicable, as appropriate, in the blank next to the item. Explanations must be provided for N or N/A responses. **Sign and date the checklist (as taxpayer or authorized representative) and place it on top of your request.**

You must submit a completed copy of this checklist with your request. If a completed checklist is not submitted with your request or if explanations are not provided for N and N/A responses, your submission will be considered incomplete for purposes of determining the first day of the 180-day period described in section 430(h)(3)(C)(v)(II) of the Code.

1. If you want to designate an authorized representative, have you included a properly executed Form 2848 (Power of Attorney and Declaration of Representative)?

2. Have you satisfied all the requirements of Rev. Proc. 2007-4 or its successors (especially concerning signatures and penalties of perjury statement)? (See section 3.03(2))

3. Have you included statement of proposed deletions? (See section 3.03(3))

4. Have you included the user fee required under Rev. Proc. 2007-8 or its successors? (See section 3.01)

5. Have you included a copy of the substitute mortality table(s) whose use is requested? (See section 4.01(1))

6. Have you identified the first day of the first plan year for which the use of substitute mortality tables is requested? (See section 4.01(1))

7. Have you stated the number of years for which the use of substitute mortality tables is requested? (See section 4.01(1))

8. Have you identified the Base Year of the Base Tables (See section 4.01(1))

9. Have you requested that the 180-day review period not begin until a separate request is received for another plan(s) maintained by the applicant is received? (See section 4.01(2))

10. Have you identified and categorized all plans maintained by the applicant? (See sections 4.01(4) through (7))

11. Have you included a description of the populations of Category 1 Plans for which the use of substitute mortality tables is requested? (See section 4.02(1))

12. Have you included a description of the populations of Category 1 Plans for which the use of substitute mortality tables is not requested? (See section 4.02(1))

13. Have you identified the Experience Study Period for Category 1 Plans? (See section 4.02(1))

14. Have you included a table showing the number of deaths, for each applicable population within each plan within the Permissive Group, for each year of the Experience Study Period? (See section 4.02(4))

15. Have you identified the Inexperience Demonstration Period for Category 1 Plans? (See section 4.03(1))

16. Have you identified an Experience Study Period and an Inexperience Demonstration Period for all Category 2 Plans? (See section 4.03(1))

17. Have you identified an Inexperience Demonstration Period for all Category 3 and Category 5 Plans? (See section 4.03(1))

18. Have you included a table showing the number of deaths for each applicable population within each plan within the permissive aggregated group, for each year of the Inexperience Demonstration Period? (See section 4.03(2)(a))

19. Have you included a table showing the number of deaths for each gender within each Category 2 plan, for each year of the Experience Study Period or Inexperience Demonstration Period, whichever is applicable? (See section 4.03(2)(b))

20. Have you included a table showing the number of deaths for each gender within each Category 3 and Category 5 plan, for each year of the Inexperience Demonstration Period? (See section 4.03(2)(c))

21. Have you included a table showing the number of participants in each applicable population as of the last day of the plan year that began two years before the first day of the plan year for which the use of substitute mortality tables is requested? (See section 4.04(1)(a))

22. Have you included a table showing the number of participants in each applicable population as of the first and last day of each plan occurring during the Experience Study Period? (See section 4.04(1)(b))

23. Have you included a table showing the average number of participants in each applicable population during the Experience Study Period? (See section 4.04(1)(c))