

The Pension Protection Act of 2006 (PPA 2006) changed the interest rate and mortality table assumptions for determining minimum lump sum payments under section 417(e)(3) of the Internal Revenue Code, effective for plan years beginning on or after January 1, 2008. PBGC's regulation on Termination of Single-Employer Plans (29 CFR part 4041) provides that benefits are determined as of the plan's termination date and that lump sum amounts are calculated as of the distribution date. The regulation does not address the situation of a statutory change in the minimum lump sum assumptions between a plan's termination date and the distribution date. Technical Update 07-3 provides that pre-PPA 2006 assumptions apply for determining lump sum payments if a plan's termination date is before its 2008 plan year. Technical Update 07-3 also provides limited guidance for plans that terminate after the effective date of the new assumptions under PPA 2006. There is no change in burden or cost of the information collection associated with this technical update.