

July 2010

The following two pages show changes to the instructions and data requirements for 2012 as described in the Supporting Statement for Payment of Premiums.

## Description of Data Elements — Comprehensive Filings 2012 Instructions (p.31)

reported amount is no longer an estimate by making sure the “estimate” box is no longer checked. See “Correcting Filings and Reconciling Estimates” section.

Note also that to qualify for the automatic penalty relief, the estimated Premium Funding Target must be certified by an enrolled actuary to be a reasonable estimate that:

- takes into account the most recent data available to the enrolled actuary, and
- has been determined in accordance with generally accepted actuarial principles.

See “Late Payment Charges” section for more information on the penalty relief available to Large and Mid-size Plans paying estimated Variable-rate Premiums on the due date.

- (1) Premium Funding Target method – If you are using the Standard Premium Funding Target to determine unfunded vested benefits, check the “Standard” box. If you are using the Alternative Premium Funding Target to determine unfunded vested benefits, check the “Alternative” box. **Note that the standard method must be used unless an election to use the alternative method is in effect. For information on how to make the election, see instructions for Part II.**

Also, note that if an election to use the alternative method is in effect, you must use the alternative method. An election is in effect only if an election to use the alternative method was made in Part II of this filing, or in Part II of the filing for the 2008, 2009, 2010, or 2011 plan year. Filers are encouraged to review prior filings or to review the Account History on MyPAA to confirm whether an election is in effect.

- (2) Report the discount rate(s) used to determine the Premium Funding Target. If you are using the:
- Standard Premium Funding Target, these rates must be the segment rates for the month preceding the month in which the Premium Payment Year begins that are determined in accordance with ERISA section 4006(a)(3)(E)(iv) (*i.e.*, the rates that would be determined under ERISA section 303(h)(2)(C) if ERISA section 303(h)(2)(D) were applied by using the monthly yields for the month preceding the month in which the Premium Payment Year begins on investment grade corporate bonds with varying maturities, and in the top 3 quality levels, rather than the average of such yields for a 24-month period). These rates are available at [www.pbgc.gov](http://www.pbgc.gov).
  - Alternative Premium Funding Target, these rates must be identical to the rates that are used to determine the minimum required contribution for the Premium Payment Year as reported in item 21a of the 2012 Schedule SB, Form 5500. This includes any elections with respect to the optional phase-in from the prior current liability discount rate, the applicable month, and the option to use the full yield curve in lieu of segment rates. If the full yield curve is used for this purpose, rather than reporting the full yield curve, check the box to report that fact.

If you are using the Alternative Premium Funding Target, also report the effective interest rate for the Premium Payment Year determined in accordance with ERISA section 303(H)(2)(A). This must be the same rate as reported in item 5 of the 2012 Schedule SB, Form 5500.

- (3) Report the Premium Funding Target (dollars only). Note that if you are using the Alternative Premium Funding Target, the amount reported is generally equal to the total funding target reported in the 2012 Schedule SB (item 3d) reduced by the non-vested portion of the total funding target (item 3c(1)) reported in that same Schedule.

**Part III – Premium Information [2012 Form 1-C]**

**6 Flat-rate premium**

a Participant count date: Month \_\_\_ Day \_\_\_ Year \_\_\_\_

b Flat-rate premium calculation

(1) Applicable rate (Single-employer plans enter \$35; Multiemployer plans, enter \$9) \_\_\_\_\_

(2) Participant count as of participant count date \_\_\_\_\_

(3) Flat-rate premium (item 6b(1) x item 6b(2)) \_\_\_\_\_

**7 Variable-rate premium (VRP) – Single-employer plans only (Multiemployer plans—skip to item 8)**

a Exemptions – If an exemption applies, check applicable box and skip to item 8.

No vested participants  412(e)(3) plan  Standard termination with a proposed termination date of \_\_/\_\_/\_\_\_\_

b VRP cap qualification – If this plan qualifies for the VRP cap applicable to certain plans of small employers (those with 25 or fewer employees), check box . If box is checked, items 7c through 7g(1) may, but need not, be omitted.

c UVB valuation date: Month \_\_\_ Day \_\_\_ Year \_\_\_\_

d Premium funding target information –  Check box if the reported premium funding target information is an estimate.

(1) Premium funding target method:  Standard  Alternative **If Alternative, enter the effective interest rate \_\_\_\_\_%**

(2) Discount rate(s) 1<sup>st</sup> segment \_\_\_\_% 2<sup>nd</sup> segment \_\_\_\_% 3<sup>rd</sup> segment \_\_\_\_%  N/A, full yield curve used

(3) Premium funding target as of UVB valuation date \_\_\_\_\_

e Market value of assets as of UVB valuation date \_\_\_\_\_

f Unfunded vested benefits (excess, if any, of item 7d(3) over item 7e, rounded up to the next \$1,000) \_\_\_\_\_

g Variable-rate premium calculation

*If the plan does not qualify for the VRP cap, omit the following two items and skip to item 7g(3).*

(1) Variable-rate premium before reflecting the cap (item 7f x 0.009) \_\_\_\_\_

(2) Maximum VRP (\$5 x item 6b(2) x item 6b(2)) \_\_\_\_\_

(3) Variable-rate premium

If the plan does not qualify for the VRP cap, item 7f x 0.009.

If the plan qualifies for the VRP cap, the lesser of item 7g(1) and 7g(2) or, if item 7g(1) was omitted, item 7g(2). \_\_\_\_\_

**8 Premium proration (If the plan does not qualify for premium proration, skip to item 9)**

a Number of months (complete and partial) in the short plan year \_\_\_\_\_

b Total premium before reflecting proration (item 6b(3) + item 7g(3), if applicable) \_\_\_\_\_

**9 Total premium**

If the plan does not qualify for premium proration, item 6b(3) + item 7g(3), if applicable

If the plan qualifies for premium proration, item 8b x item 8a ÷ 12. \_\_\_\_\_

**10 Premium credit** (including any payments already made for this premium payment year and any overpayment from the prior plan year unless refund was requested) \_\_\_\_\_

**11 Amount due** (excess, if any, of item 9 over item 10) \_\_\_\_\_

Payment method (paper filers only)  Check enclosed  Electronic funds transfer

**12 Treatment of overpayment**

a Excess, if any, of item 10 over item 9 \_\_\_\_\_

b Treatment of balance (select one):

Credit towards next year's premium  Refund by check  Refund by electronic funds transfer (preferred refund option)

If you select a refund by electronic funds transfer, complete the following information:

Type of account  Checking  Savings Bank routing number \_\_\_\_\_

Account number \_\_\_\_\_ Sub-account number (if any) \_\_\_\_\_