



AMERICAN ACADEMY *of* ACTUARIES

August 2, 2012

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Government Actuary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Room 4028
Washington, DC 20220

Re: MAP-21 Pension Provisions Implementation

Dear Mark and Harlan:

Thank you for the opportunity to discuss emerging issues and guidance needs around the pension stabilization provisions of MAP-21. We appreciate your effort to engage in discussions with the Academy on the issues that are emerging in the regulatory process and hope that our meeting provided you with the input you sought. We would be happy to meet again should you need further assistance, for example in the area of development of the modified segment rates.

In addition, we note the letter sent to the Department of Treasury and the Internal Revenue Service by the American Benefits Council and the technical actuarial leadership of five national actuarial firms on July 19th that discussed the urgent need for publication of the 25-year average segment rates required under MAP-21 and wish to express our support of this message. This issue was discussed at our July 23 meeting and we emphasized the need for publishing those rates as soon as possible without waiting for other MAP-21 issues to be resolved. You will recall we underscored the extensive process that a substantial majority of plans will have to complete before making final decisions about 2011 plan year contributions that are due no later than September 15, 2012 as the compelling reason move quickly. Speed of publication is important to provide sponsors the time to evaluate and deal with the various issues that relate to the implementation of MAP-21. Delaying publication of the rates in order to make modest refinements to the calculation of an average of rates that were not previously published would unnecessarily place plan sponsors trying to assess the impact of MAP-21 in a burdensome situation which would temporarily freeze their ability to make critical business decisions.

August 1, 2012
Messrs. Iwry and Weller
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Finally, as you requested at the meeting, we are attaching a copy of the topics discussed. If we may be of further assistance in providing information to support the regulatory guidance process, please contact David Goldfarb, Pension Policy Analyst (Goldfarb@actuary.org; 202.785.7868).

Sincerely,



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MAP-21 Guidance Topics for Discussion

- **Benefit restriction issues**
 - Deemed immaterial change
 - Timing for change in administration
 - Recertification
- **Funding / funding balance issues**
 - Changes to prior funding balance uses or forfeitures (deemed and/or voluntary)
 - Reallocation of contributions
 - Different plan years
 - 430 vs 436
 - Switch back from FYC to segment rates
 - Timing issues
 - Deemed immaterial
 - Effect on indexed assumptions
 - Annuity substitution
 - Current liability 3rd segment rate for delayed effective date plans
- **430 vs. 404/PBGC**
 - Asset values
 - EIR for discounting receivable contributions
 - 3rd segment rate limit on expected return
 - At-risk determination
- **Miscellaneous**
 - 2012 opt-out elections
 - Determining “top 25” restrictions
 - 3rd segment rate safe harbor for statutory hybrid plans
 - Reasonable interpretation