



[Billing Code 7709-02-P]

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4044

Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This final rule amends the Pension Benefit Guaranty Corporation's regulation on Allocation of Assets in Single-Employer Plans to prescribe interest assumptions under the asset allocation regulation for valuation dates in the first quarter of 2016. The interest assumptions are used for valuing benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC. As discussed below, PBGC has published a separate final rule document dealing with interest assumptions under its regulation on Benefits Payable in Terminated Single-Employer Plans for January 2016.

DATES: Effective January 1, 2016.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion

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SUPPLEMENTARY INFORMATION: PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR Part 4044) prescribes actuarial assumptions — including

interest assumptions — for valuing plan benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions in the regulation are also published on PBGC's Web site (<http://www.pbgc.gov>).

The interest assumptions in Appendix B to Part 4044 are used to value benefits for allocation purposes under ERISA section 4044. Assumptions under the asset allocation regulation are updated quarterly and are intended to reflect current conditions in the financial and annuity markets. This final rule updates the asset allocation interest assumptions for the first quarter (January through March) of 2016.

The first quarter 2016 interest assumptions under the allocation regulation will be 2.82 percent for the first 20 years following the valuation date and 2.95 percent thereafter. In comparison with the interest assumptions in effect for the fourth quarter of 2015, these interest assumptions represent no change in the select period (the period during which the select rate (the initial rate) applies), an increase of 0.36 percent in the select rate, and a decrease of 0.03 percent in the ultimate rate (the final rate).

PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation of benefits under plans with valuation dates during the first quarter of 2016, PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a “significant regulatory action” under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 4044

Employee benefit plans, Pension insurance, Pensions.

In consideration of the foregoing, 29 CFR part 4044 is amended as follows:

PART 4044 — ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

1. The authority citation for part 4044 continues to read as follows:

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

2. In appendix B to part 4044, a new entry for January – March 2016, as set forth below, is added to the table.

Appendix B to Part 4044 -- Interest Rates Used to Value Benefits

* * * * *

For valuation dates occurring in the month —	The values of i_t are:					
	i_t	for $t =$	i_t	for $t =$	i_t	for $t =$
* * *	*	*	*	*	*	*
January – March 2016	0.0282	1-20	0.0295	>20	N/A	N/A

Issued in Washington, DC, on this 17th day of December, 2015.

Judith Starr,
General Counsel,
Pension Benefit Guaranty Corporation.

