



**Defined Benefit System
PPA '06 Valuation Coding and
Related Topics**

**Presented by
Dave Roper
and
Aaron Venouziou**




**TERMINOLOGY FOR
PPA '06 2008 Valuations**

- New terminology
 - Funding Target – FT
 - Old accrued liability
 - Funding Target Attainment Percentage – FTAP
 - Old Funded Current Liability percentage
 - Adjusted Funding Target Attainment Percentage – AFTAP
 - FTAP adjusted for annuity payments
 - Funding Shortfall
 - Funding Target minus assets




TERMINOLOGY FOR PPA '06 2008 Valuations

- New terminology
 - Carryover Balance – COB
 - Old Credit Balance
 - Prefunding Balance – PFB
 - New Credit Balance
 - At Risk
 - AFTAP less than 60%
 - Cushion Amount
 - Part of Maximum Deductible Contribution calculation




TERMINOLOGY FOR PPA '06 2008 Valuations

- IRC Sec 436 Proposed Regulation 1.436
 - Shutdown benefits (mainly big plans)
 - Limits on amendments increasing benefits
 - Limits on accelerated benefit distributions
 - Limits on benefit accruals


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 10**
 - Valuation/Allocation Date must be Beginning of Year 1/1/08 or later.
 - No guidance for End of Year valuations


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

```

10 *** NAME, DATES, ETC.          Plan Number PPA08
Original Plan Effective Date 010105
Anniversary Date..... 123108
Valuation/Allocation Date... 010108      Must be 1/1/08 or later
Eligibility Date..... 010108
Plan Year End..... 123108
Limitation Year End..... 123108
1099-R Tax Year.....
Years Plan Was Top Heavy.... _5 _6 _7 _8 _ _ _ _ _
Valuation at Beginning or End of Year (B,E) B

DATE (MMDDYY)                                5-1      ovrtype
    
```



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


- **Screen 15**
- **Salary Scale**
 - If no salary scale, will still have 1 year increase for increase in accrued benefit for Target Normal Cost
 - Projects salary to retirement to calculate projected accrued benefit for projected Funding Target
 - Difference in funding targets is increase for Funding Target Cushion Amount under 404(o)



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06


- **Screen 15**
- **Pre-Ret Mortality Table**
 - If used must be coordinated with Post Retirement mortality table
 - 08N00 (Non annuitant) with 08A00 (Annuitant)
 - 08C00 (Combined) with 08C00 (Combined)


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


```

15 *** PRE-RETIREMENT ASSUMPTIONS
Plan Number PPA082 Funding Act Equiv RPA-94
Average Salary Code (1-9,A,B)..... 9 5 Curr Liab
Salary Exclusion Period..... 3 3
Number of Years in Salary Average(XX Yrs) 99 99
Last Years (YY Yrs)..... R
Prospective/Retrospective Salary (P,R)... R
Disregard Salary in Termination Year(Y,N) N 3 Yr Sal Avg for 415 (S,P).. P
Salary Increase Percent (Scale)..... 3.000
Calculate Curr Liab using Optional Combined Table (Y,N)
Pre-Ret Interest Rate..... 5.000 _5.000 _1.000
Pre-Ret Mortality Table..... 08C00
Male Blend Percentage.....
Years Setback/Setforward: Males (-/+)...
Years Setback/Setforward: Females (-/+)...
Turnover/Withdrawal Table (T1-T9,TA-TF)...
Soc Sec Backward Salary Projection Pct... CPI Proj Pct...
Soc Sec Covered Compensation Projection % Avg Earn Proj %
Normal Cost Percent Load..... NC $ Load
Calculate PVB for Inactives Using Funding Assumptions (Y,N,1) Y
XXXV0, where XXX is A2K, CLC, CLA, CLN, G94, G83, G71, G51, G5C, G60, I71, I83, IP2, C58, C80,
P90, PAT, P94, R94, RP2, U84, U86, U90, 08C, 08A, 08N, 08E, or ZZx (ZZx is a user defined
table). Y is M to use male table only, F to use female table only, and 0 to
use male and female tables
CHARACTER Length= 5 C-94 Overtime
    
```


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


- **Screen 16**
- **Post-Ret Mortality Table**
 - Must be coordinated with Pre-Retirement mortality table
 - 08N00 (Non annuitant) with 08A00 (Annuitant)
 - 08C00 (Combined) with 08C00 (Combined)
- **Do not use 08A00, 08N00, 08C00 as Actuarial Equivalence – Sex distinct**
- **Suggest not using 08E00 – 417(e) table may change every year**


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


```

16 **** POST-RETIREMENT ASSUMPTIONS
Plan Number PPA082
Normal Form of Payment (1-5)..... 1
Annuity Rate Based on Actuarial Assumptions (Y,N)... Y
417(e) PVAB Calculation Method (0,1,2-9,A-Z,!#$%^&* ) 1
Calculate PVAB Using 417(e) Rates Only (Y,N)..... Y
Use Mortality in Pre-Ret 417(e) Calc (Y,N)..... N
Post-Ret Interest Rate..... 5.000 5.000 .5.330
Mortality Table..... 08C00 G9400
Male Blend Percentage.....
Years Setback/Setforward: Males (-/+ ).....
Years Setback/Setforward: Females (-/+ ).....
Funding Segment Rates (1st, 2nd, 3rd) _5.720 _5.920 _6.090
417(e) Segment Rates (1st, 2nd, 3rd) _4.610 _4.850 _4.960
PBGC Segment Rates (1st, 2nd, 3rd)... _4.930 _6.130 _6.690
Limit Lump Sum for Funding to 415 Max (0-6)..... 6
415/417(e) 30 Year Treasury Rate.....
MMYY for 30 Year Treasury Rate.....
Expense Loading Option (0-2) 0
Cost of Living Increase.....
XXXXY0, where XXX is A2K,CLC,CLA,CLN,G94,G83,G71,G51,G5C,G60,I71,I83,IP2,C58,C80,
P90,PAT,P94,R94,RP2,U84,U86,U90,08C,08A,08N,08E, or ZZx (ZZx is a user defined
table). Y is M to use male table only, F to use female table only, and 0 to
use male and female tables
CHARACTER Length= 5 C-13 overtime
    
```


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


- **Screen 16**
- **430(h) Segment Rates (1st, 2nd, 3rd)**
 - Existing Plans – Transitional Rates are default
For 2008 – 80% old rate and 20% new rate
 - New Plans – Must use Segment rates
(not Transitional Rates)
 - “Applicable Month” – Month that includes valuation date.
Default month for segment rates, but have option to elect any
of 4 months previous to Applicable Month
 - Recommendation
 - Beginning of Year Valuations use default month
 - End of Year Valuations use 4th month preceding valuation month
 - Be consistent with all plans


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


```

16 **** POST-RETIREMENT ASSUMPTIONS
Plan Number PPA082
Normal Form of Payment (1-5)..... 1
Annuity Rate Based on Actuarial Assumptions (Y,N)... Y
417(e) PVAB Calculation Method (0,1,2-9,A-Z,!#$%^&* ) 1
Calculate PVAB Using 417(e) Rates Only (Y,N)..... Y
Use Mortality in Pre-Ret 417(e) Calc (Y,N)..... N
Post-Ret Interest Rate..... _5.000      _5.000      _5.330
Mortality Table..... 08C00      G9400
Male Blend Percentage.....
Years Setback/Setforward: Males (-/+ ).....
Years Setback/Setforward: Females (-/+ ).....
Funding Segment Rates (1st, 2nd, 3rd) _5.720  _5.920  _6.090
417(e) Segment Rates (1st, 2nd, 3rd)  _4.610  _4.850  _4.960
PBGC Segment Rates (1st, 2nd, 3rd)...  _4.930  _6.130  _6.690
Limit Lump Sum for Funding to 415 Max (0-6)..... 6
415/417(e) 30 Year Treasury Rate.....
MMYY for 30 Year Treasury Rate.....
Expense Loading Option (0-2) 0
Cost of Living Increase.....
Enter 430(h)(2)(C) segment rates or (h)((2)(G) transitional rates for
"applicable month" which is the month that includes the valuation date or any of
the 4 months that precede such month.
NUMERIC (XX.XXX) s-594 overtime
        
```


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


- **Screen 16**
- **417(e) Segment Rates (1st, 2nd, 3rd)**
 - Different segment rates – no average
 - For 2008 – 80% old rate and 20% new rate
 - IRS publishes the Transitional Rates only


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations


```

16 **** POST-RETIREMENT ASSUMPTIONS
Plan Number PPA082
Normal Form of Payment (1-5)..... 1
Annuity Rate Based on Actuarial Assumptions (Y,N)... Y
417(e) PVAB Calculation Method (0,1,2-9,A-Z,!#$%^&*) 1
Calculate PVAB Using 417(e) Rates Only (Y,N)..... Y
Use Mortality in Pre-Ret 417(e) Calc (Y,N)..... N
Post-Ret Interest Rate..... _5.000      _5.000      _5.330
Mortality Table..... 08C00      G9400
Male Blend Percentage.....
Years Setback/Setforward: Males (-/+ ).....
Years Setback/Setforward: Females (-/+ ).....
Funding Segment Rates (1st, 2nd, 3rd)  5.720  5.920  6.090
417(e) Segment Rates (1st, 2nd, 3rd)  4.610  4.850  4.960
PBGC Segment Rates (1st, 2nd, 3rd)  4.930  6.130  6.690
Limit Lump Sum for Funding to 415 Max (0-6)..... 6
415/417(e) 30 Year Treasury Rate.....
MMYY for 30 Year Treasury Rate.....
Expense Loading Option (0-2) 0
Cost of Living Increase.....
Enter 417(e) applicable transitional segment rates. Rates may be for 1st to 5th
month preceding stability period.
NUMERIC (XX.XXX) s-597 overtime
        
```


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 16**
- **PBGC Segment Rates (1st, 2nd, 3rd)**
 - Similar to Funding rates


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.


DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

16 POST-RETIREMENT ASSUMPTIONS

	Funding	Act Equiv	Current Liab RPA94
Plan Number PPA082			
Normal Form of Payment (1-5)	1		
Annuity Rate Based on Actuarial Assumptions (Y,N)	Y		
417(e) PVAB Calculation Method (0,1,2-9,A-Z,!#\$%^&*)	1		
Calculate PVAB Using 417(e) Rates Only (Y,N)	Y		
Use Mortality in Pre-Ret 417(e) Calc (Y,N)	N		
Post-Ret Interest Rate	_5.000	_5.000	_5.330
Mortality Table	08C00	G9400	
Male Blend Percentage			
Years Setback/Setforward: Males (-/+)	_	_	
Years Setback/Setforward: Females (-/+)	_	_	
Funding Segment Rates (1st, 2nd, 3rd)	_5.720	_5.920	_6.090
417(e) Segment Rates (1st, 2nd, 3rd)	_4.610	_4.850	_4.960
PBGC Segment Rates (1st, 2nd, 3rd)	_4.930	_6.130	_6.690
Limit Lump Sum for Funding to 415 Max (0-6)	6		
415/417(e) 30 Year Treasury Rate			
MYY for 30 Year Treasury Rate			
Expense Loading Option (0-2)	0		
Cost of Living Increase			

Enter PBGC Standard Premium or Alternative Premium segment rates. Standard rates are month prior to valuation date; Alternative rates are the same as funding rates.

NUMERIC (XX.XXX) s-600 overtime



DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

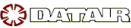
- **Screen 16**

You will be responsible for
entering all rates

DATAIR will publish rates on website.


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations



[DATAIR Home Page](#)
[Rates & Limits](#)

Revised June 09, 2008

Quick reference to current and historical IRS limits, PBGC rates, and links to other sources of rate information

[Monthly Treasury & PBGC Interest Rates \(2007\)](#)

[Monthly Treasury & PBGC Interest Rates \(2000-2006\)](#)

[Monthly Treasury & PBGC Interest Rates \(1996-1999\)](#)

[Annual Dollar Limits for 1987 through 2008](#)


[Download the latest rate files for PE & PT](#)

Covered Compensation Tables

2009	2004	2000
2007	2003	1999
2006	2002	1998
2005	2001	1997


Treasury and PBGC Interest Rates

Month Yr	(1) 30 Year Treasury Rates	Composite Corporate Bond Rate	(2) Interest for PBGC Variable Premium	(3) PBGC Immediate Annuity Rates with DATAIR's Code	(4) IRC 430(h) Funding Segment Rates			(5) IRC 430(h) Funding Segment Rates Transitional			(6) IRC 417(e) Segment Rates Transitional			(7) PBGC Segment Rates			(8) Weighted Bond Interest Rates		(9) Int. for Late Quarterly Contrib.	(9) Int. for Accum. Employee Contrib.
					1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	90%	100%		
					2 0 0 8															
Jun 08					5.13	6.01	6.53	5.72	6.02	6.19							5.42	6.02	6.63	3.94
May 08	4.60	6.47			5.16	6.00	6.53	5.72	6.00	6.18	4.61	4.95	5.03	4.67	6.36	6.77	5.40	6.00	4.82	3.29
Apr 08	4.44	6.45			5.20	5.99	6.52	5.73	5.99	6.17	4.47	4.81	4.94	4.60	6.28	6.96	5.39	5.99	5.05	3.45
Mar 08	4.39	6.46			5.24	5.97	6.49	5.72	5.96	6.14	4.37	4.79	4.91	4.28	6.38	6.99	5.36	5.96	5.23	3.57
Feb 08	4.52	6.36		3.25 (X)	5.28	5.95	6.45	5.72	5.94	6.11	4.44	4.85	5.03	4.11	6.18	7.05	5.34	5.94	6.18	4.22
Jan 08	4.33	6.16		3.00 (W)	5.31	5.92	6.43	5.72	5.92	6.09	4.34	4.67	4.81	4.39	6.01	6.72	5.33	5.92	6.31	4.31
2 0 0 7																				
Dec 07	4.53	6.28		3.00 (W)	5.31	5.90	6.41	5.70	5.90	6.07	4.61	4.85	4.96	4.93	6.13	6.69	5.31	5.90	7.29	4.97
Nov 07	4.52	6.14	6.14	3.25 (X)	5.31	5.98	6.40	5.70	5.89	6.06	4.60	4.82	4.91	4.92	6.02	6.47	5.30	5.89	7.74	5.28
Oct 07	4.77	6.14	6.23	3.25 (X)	5.29	5.86	6.40	5.68	5.87	6.05	4.85	5.02	5.09	5.17	6.02	6.38	5.29	5.88	7.67	5.23
Sep 07	4.79	6.23	6.33	3.25 (X)	5.26	5.82	6.38	5.66	5.85	6.03	4.89	5.06	5.14	5.28	6.12	6.55	5.27	5.86	8.45	5.76
Aug 07	4.93	6.33	6.33	3.50 (Y)							5.02	5.18	5.28	5.40	6.20	6.66	5.26	5.84	8.99	6.13
Jul 07	5.11	6.33	6.32	3.25 (X)													5.25	5.83	8.74	5.96
Jun 07	5.26	6.32	6.01	3.00 (W)													5.23	5.81	8.18	5.29


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 16**
- **Limit Lump Sum for Funding to 415 Max (0-6)**
 - Code 4, fund for annuity
 - Uses Funding Mortality
 - Uses Funding Segment Rates



DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

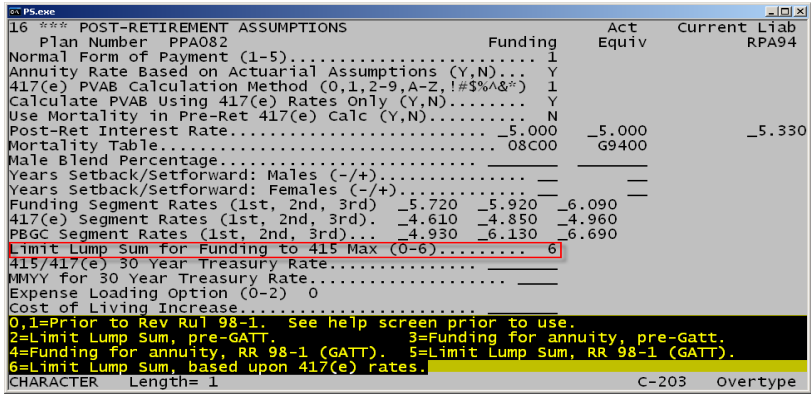
- **Screen 16**
- **Limit Lump Sum for Funding to 415 Max (0-6)**
 - Codes 5 or 6, fund for lump sum.
 - Uses greater of 08E00 and Funding Segment rates.

or

- Actuarial Equivalence Lump Sum and single Funding Segment rate.


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.


DB DOS SCREEN CODING FOR PPA '06 2008 Valuations



	Funding	Act Equiv	Current Liab
Plan Number PPA082			RPA94
Normal Form of Payment (1-5)	1		
Annuity Rate Based on Actuarial Assumptions (Y,N)	Y		
417(e) PVAB Calculation Method (0,1,2-9,A-Z,!#%&*)	1		
Calculate PVAB Using 417(e) Rates Only (Y,N)	Y		
Use Mortality in Pre-Ret 417(e) Calc (Y,N)	N		
Post-Ret Interest Rate	5.000	5.000	5.330
Mortality Table	08C00	69400	
Male Blend Percentage			
Years Setback/Setforward: Males (-/+)			
Years Setback/Setforward: Females (-/+)			
Funding Segment Rates (1st, 2nd, 3rd)	5.720 5.920 6.090		
417(e) Segment Rates (1st, 2nd, 3rd)	4.610 4.850 4.960		
PBGC Segment Rates (1st, 2nd, 3rd)	4.930 6.130 6.690		
Limit Lump Sum for Funding to 415 Max (0-6)	6		
415/417(e) 30 Year Treasury Rate			
MMYY for 30 Year Treasury Rate			
Expense Loading Option (0-2)	0		
Cost of Living Increase			


0,1=Prior to Rev Rul 98-1. See help screen prior to use.
 2=Limit Lump Sum, pre-GATT. 3=Funding for annuity, pre-Gatt.
 4=Funding for annuity, RR 98-1 (GATT). 5=Limit Lump Sum, RR 98-1 (GATT).
 6=Limit Lump Sum, based upon 417(e) rates.

CHARACTER Length= 1 C-203 overtime

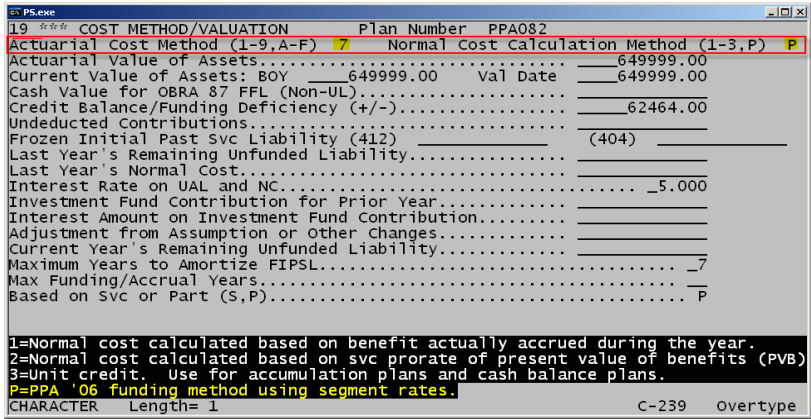


DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 19**
 - **Actuarial Cost Method (1-9,A-F) = 7**
 - **Normal Cost Calculation Method (1-3,P) = P**




DB DOS SCREEN CODING FOR PPA '06 2008 Valuations



```


19 *** COST METHOD/VALUATION          Plan Number  PPA082
Actuarial Cost Method (1-9,A-F) 7     Normal Cost Calculation Method (1-3,P) P
Actuarial Value of Assets..... 649999.00
Current Value of Assets: BOY..... 649999.00   Val Date 649999.00
Cash Value for OBRA 87 FFL (Non-UL).....
Credit Balance/Funding Deficiency (+/-)..... 62464.00
Undeducted Contributions.....
Frozen Initial Past Svc Liability (412)..... (404)
Last Year's Remaining Unfunded Liability.....
Last Year's Normal Cost.....
Interest Rate on UAL and NC..... _5.000
Investment Fund Contribution for Prior Year.....
Interest Amount on Investment Fund Contribution.....
Adjustment from Assumption or Other Changes.....
Current Year's Remaining Unfunded Liability..... _7
Maximum Years to Amortize FIPSL.....
Max Funding/Accrual Years.....
Based on Svc or Part (S,P)..... P

1=Normal cost calculated based on benefit actually accrued during the year.
2=Normal cost calculated based on svc prorate of present value of benefits (PVB)
3=Unit credit. Use for accumulation plans and cash balance plans.
P=PPA '06 funding method using segment rates.
CHARACTER Length= 1                               C-239 ovrtype
    
```


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 19**
 - **Recommended contribution**
 - Can use other funding methods to generate “recommended contribution” .



DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 21**


```

21 *** TOP HEAVY/ACCRUED BENEFIT      Plan Number  PPA082
Super Top Heavy (Y,N)..... Y
Top Heavy Minimum Based on Svc/Part (S,P)..... P
Minimum Top Heavy Accrual Percent..... 2.000
Number of Years for Top Heavy Salary Average..... 5      Based on(S,P)  S
Use Top Heavy Min Pct Regardless of Form of Payment(Y,N) N
Top Heavy Minimum to Key Employees (Y,N)..... Y
Accrued Benefit Definition (1-9)..... 4
Maximum Accrued Benefit..... _____
Preserve Acc Ben & PVAB (0-2)..... 0
Zero Norm Cost if Current AB Less Than Prior AB (Y,N)... N
PVAB calculation code (1,2)..... 2
Limit PVAB to 415 Maximum Distribution (0-6)..... 5
415/417(e) 30 Year Treasury Rate..... _____
MMYY for 30 Year Treasury Rate..... _____
Exclude Service Prior to Date (Acc Ben)..... _____
Frozen Accrued Benefit Adjustment Code (0-2)..... 0
    
```


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

- **New reports**
 - Valuation Statement
 - 404(o)(3)(A)(11) CUSHION AMOUNT INCREASE
 - Valuation Results
 - Valuation results
 - Funding Shortfall
 - Minimum Required Contribution
 - Maximum Contribution
 - 2008 Schedule SB
 - Contribution Requirements Report


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082
07-17-2008

PLAN SPECIFICATIONS
 PPA 2008 test plan w/ SALARY SCALE
 past service from 1/1/05
 FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

FUNDING METHOD As prescribed in IRC Section 430

INTEREST RATES	Years 0-5	Segment rate 1	5.700%
	Years 6-20	Segment rate 2	5.890%
	Years over 20	Segment rate 3	6.400%

PRE-RETIREMENT

MORTALITY TABLE -- None.
 TURNOVER/DISABILITY -- None.
 SALARY SCALE -- 3.000
 INTEGRATION LVL INCR- None
 BACKWARD SALARY PROJ. Based on increase of average earnings

POST-RETIREMENT

MORTALITY TABLE -- 2008 Funding Target - Annuitant - IRC 430(c)(3)(C)(A).
 EXPENSE LOAD -- None
 COST OF LIVING -- None


OPTIONAL FORM 100% of retirees assumed to elect lump sum payment.
LUMP SUM -- 2008 Applicable Mortality Table for 417(c)(2) Cumies0
 or
 Actuarial Equivalence

417(c)

PRESENT VALUE OF ACCRUED BENEFIT CALCULATIONS - BASED ON 417(c) RATES

INTEREST RATES	Years 0-5	Segment rate 1	4.850%
	Years 6-20	Segment rate 2	5.020%
	Years over 20	Segment rate 3	5.090%

MORTALITY TABLE -- 2008 Applicable Mortality Table for 417(c)(2) Cumies0




DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 07-17-2008

SCHEDULE OF BENEFITS
PPA 2008 test plan w/ SALARY SCALE
past service from 1/1/05
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

CURRENT MONTHLY SALARY	BOY ACCRUED BENEFIT MONTHLY SALARY	EOY ACCRUED BENEFIT MONTHLY SALARY	CURRENT				PROJECTED			
			MONTHLY BENEFIT	ACCRUED BENEFIT	VEST PCT	VESTED ACCRUED BENEFIT	PRESENT VALUE OF VESTED ACCRUED BENEFIT	DEATH BENEFIT	AVERAGE MONTHLY SALARY	MONTHLY BENEFIT
12,500.00	12,500.00	12,625.00	8,750.00	3,750.00	40	1,500.00	189,786	474,465	13,663	9,564
12,500.00	12,500.00	12,625.00	12,500.00	3,750.00	40	1,500.00	133,980	334,950	16,804	15,417
12,500.00	12,500.00	12,625.00	12,500.00	3,750.00	40	1,500.00	81,102	204,809	19,167	15,417
1,779.29	1,667.61	1,767.67	889.65	500.28	100	500.28	69,919	69,919	1,833	917




DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 07-17-2008

VALUATION STATEMENT FOR
PPA 2008 test plan w/ SALARY SCALE
past service from 1/1/05
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

EMPLOYEE	ACCRUED BENEFIT	FUNDING TARGET	BENEFIT INCREASE	TARGET NORMAL COST
1 5 Yrs From NRD	3,750.00	457,114	1,300.00	158,466.00
2 11 Yrs From NRD	3,750.00	304,032	1,300.00	105,398.00
3 21 Yrs From NRD	3,750.00	155,078	1,300.00	53,760.00
4 William	500.28	68,133	206.79	28,163.00
5 Thomas	2,791.29	359,644	1,111.60	143,224.00
6 Carolyn	2,032.17	261,835	832.87	107,311.00
7 Jacquelyn -- Cinactive - deferred payment - terminated 08/01/1993	0.00	0	0.00	0.00
8 J.D.	4,625.10	528,615	1,541.70	176,205.00
9 Paul -- Credited	0.00	0	0.00	0.00
TOTALS:		\$2,134,451		\$772,527.00

THE NORMAL COST AMOUNTS SHOWN ARE BASED UPON THE ASSUMPTION THAT THE CONTRIBUTION WILL BE MADE ON 01/01/2008.




DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 07-17-2008

VALUATION STATEMENT FOR
PPA 2008 test plan W/ SALARY SCALE
past service from 1/1/05
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

404(c)(3)(A)(11) CUSHION AMOUNT INCREASE

EMPLOYEE	PROJECTED COMP ACCRUED BENEFIT	PROJECTED FUNDING TARGET	FUNDING TARGET	INCREASE IN FUNDING TARGET
1 5 Yrs from NRD	4,099	499,646	457,114	42,532
2 11 Yrs from NRD	4,625	374,982	304,032	70,950
3 21 Yrs from NRD	4,625	191,267	155,078	36,189
4 William	550	74,899	68,133	6,766
5 Thomas	3,179	409,619	359,644	49,975
6 Carolyn	2,347	302,415	261,835	40,580
7 Jacquelyn -- (inactive - deferred payment - terminated 08/01/1991)	0	0	0	0




DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 08-01-2008

VALUATION RESULTS
PPA 2008 test plan W/ SALARY SCALE
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

Rate segment 1	Rate segment 2	Rate segment 3
5.7	5.89	6.4

Effective Interest Rate: 5.96




DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

- **Effective interest rate**

The SINGLE rate of interest which, if used to determine the Plan's Funding Target, would result in a Funding Target that equals what was calculated using the segment rates



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.


DB DOS REPORTS FOR PPA '06 2008 Valuations


PPA082	VALUATION RESULTS	07-17-2008
	PPA 2008 test plan W/ SALARY SCALE	
	FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008	


Rate segment 1	Rate segment 2	Rate segment 3
5.7	5.89	6.4

Effective Interest Rate: 5.96

A. Valuation Results		
1.	Funding Target	2,134,451
2.	Target Normal Cost	772,527
3.	Assets	649,999
4.	Carryover balance	62,464
5.	Prefunding balance	0
6.	Funding Target as if At Risk	NOT CALCULATED
7.	Target Normal Cost as if At Risk	NOT CALCULATED

 DATAIR EMPLOYEE BENEFIT SYSTEMS, INC.	
DB DOS REPORTS FOR PPA '06 2008 Valuations	
B. Funding shortfall and shortfall amortization charge	
Exemption from new shortfall amortization base	
1. Funding Target	2,134,451
2. Applicable Percentage (IRC 430(c)(5)(B)(ii))	92%
3. Funding Target for Shortfall (B1 * B2)	1,963,694
4. Assets	649,999
5. Prefunding balance (A5) elected under IRC 430(F)(4)(A)	0
6. Applicable Assets	649,999
7. Funding Shortfall (B3 - B6 not less than zero) (if B7 is zero, exempt from new shortfall base)	1,313,695

 DATAIR EMPLOYEE BENEFIT SYSTEMS, INC.	
DB DOS REPORTS FOR PPA '06 2008 Valuations Shortfall base established	
Funding shortfall	
8. Funding Target	2,134,451
9. Assets	649,999
10. Carryover balance (A4)	62,464
11. Prefunding balance (A5)	0
12. Applicable Assets (B9 - B10 - B11)	587,535
13. Funding Shortfall (B8 - B12 not less than zero)	1,546,916
14. PV of prior years' shortfall Amortization Installments	0
15. Shortfall amortization base	1,546,916
16. Shortfall amortization factor	5.9496
17. Shortfall amortization installment (B15/B16)	260,005
18. Shortfall amortization installment (lesser of B13 and B17)	260,005




**DB DOS REPORTS
FOR PPA '06 2008 Valuations
Minimum Contribution**

PPA082 VALUATION RESULTS 07-17-2008
PPA 2008 test plan W/ SALARY SCALE
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

MINIMUM AND MAXIMUM CONTRIBUTIONS


C. Minimum required contribution		
1.	Target Normal Cost (A2)	772,527
2.	Funding surplus. (B12 - A1) not < 0	0
3.	Reduced Target Normal Cost (C1 - C2) not < 0	772,527
4.	Shortfall amortization installment (B18)	260,005
5.	Waiver amortization charge	0
6.	Minimum Contribution (C3 + C4 + C5)	1,032,532
7.	Carryover balance & amount applied	62,464 *
8.	PreFunding balance & amount applied	0 *
9.	Absolute minimum contribution (C6 - C7 - C8) not < 0	970,068

* Employer election required.



**DB DOS REPORTS
FOR PPA '06 2008 Valuations
Maximum Contribution**

D. Maximum Contribution		
1.	Funding Target (A1)	2,134,451
2.	Target Normal Cost (A2)	772,527
3.	50% of the funding target (A1)	1,067,226
4.	Increase in funding target due to salary increases	246,992
5.	Cushion Amount (D3 + D4)	1,314,218
6.	Total (D1 + D2 + D5)	4,221,196
7.	Funding Target as if At Risk (A6)	NOT CALCULATED
8.	Target Normal Cost as if At Risk (A7)	NOT CALCULATED
9.	Total (D7 + D8)	NOT CALCULATED
10.	Greater of D6 and D9	4,221,196
11.	Assets (A3)	649,999
12.	Maximum Contribution (D10 - D11 not less than zero)	3,571,197
13.	Contribution to meet termination liability	1,597,885
14.	Contribution to meet 110% of Current Liability	1,712,414




**DB DOS REPORTS
FOR PPA '06 2008 Valuations
Termination Liability**

13. Contribution to meet termination liability **1,597,885**

Present Value of Accrued Benefits minus Assets

C. ACTUARIAL EQUIVALENCE BASIS	#	VESTED	NON-VESTED	TOTAL
1. ACTIVE	7	1,640,582	607,302	2,247,884
2. RETIRED VESTED	1	0	0	0
3. DEFERRED VESTED	1	0	0	0
4. POSTPONED RETIREMENT	0	0	0	0
5. TERMINATED VESTED	0	0	0	0
6. TERMINATED NON-VESTED	0	0	0	0
7. INACTIVE	0	0	0	0
8. TOTAL	9	1,640,582	607,302	2,247,884

11. Assets (A3) **649,999**



**DB DOS REPORTS
FOR PPA '06 2008 Valuations
No Funding Shortfall**

A. Valuation Results

1.	Funding Target	2,134,451
2.	Target Normal Cost	772,527
3.	Assets	2,649,999
4.	Carryover balance	462,464
5.	Prefunding balance	0
6.	Funding Target as if At Risk	NOT CALCULATED
7.	Target Normal Cost as if At Risk	NOT CALCULATED



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

B. Funding shortfall and shortfall amortization charge

Exemption from new shortfall amortization base

1.	Funding Target	2,134,451
2.	Applicable Percentage (IRC 430(c)(5)(B)(ii))	92%
3.	Funding Target for Shortfall (B1 * B2)	1,963,694
4.	Assets	2,649,999
5.	Prefunding balance (A5) elected under IRC 430(f)(4)(A)	0
6.	Applicable Assets	2,649,999
7.	Funding Shortfall (B3 - B6 not less than zero) (if B7 is zero, exempt from new shortfall base)	0



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

Funding shortfall

8.	Funding Target	2,134,451
9.	Assets	2,649,999
10.	Carryover balance (A4)	462,464
11.	Prefunding balance (A5)	0
12.	Applicable Assets (B9 - B10 - B11)	2,187,535
13.	Funding Shortfall (B8 - B12 not less than zero)	0
14.	PV of prior years' shortfall Amortization Installments	0
15.	Shortfall amortization base	0
16.	Shortfall amortization factor	0.0000
17.	Shortfall amortization installment (B15/B16)	0
18.	Shortfall amortization installment (lesser of B13 and B17)	0



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

C. Minimum required contribution

1.	Target Normal Cost (A2)	772,527
2.	Funding surplus. (B12 - A1) not < 0	53,084
3.	Reduced Target Normal Cost (C1 - C2) not < 0	719,443
4.	Shortfall amortization installment (B18)	0
5.	Waiver amortization charge	0
6.	Minimum Contribution (C3 + C4 + C5)	719,443
7.	Carryover balance & amount applied	462,464 *
8.	Prefunding balance & amount applied	0 *
9.	Absolute minimum contribution (C6 - C7 - C8) not < 0	256,979

* Employer election required.




DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

D. Maximum Contribution

1.	Funding Target (A1)	2,134,451
2.	Target Normal Cost (A2)	772,527
3.	50% of the funding target (A1)	1,067,226
4.	Increase in funding target due to salary increases	246,992
5.	Cushion Amount (D3 + D4)	1,314,218
6.	Total (D1 + D2 + D5)	4,221,196
7.	Funding Target as if At Risk (A6)	NOT CALCULATED
8.	Target Normal Cost as if At Risk (A7)	NOT CALCULATED
9.	Total (D7 + D8)	NOT CALCULATED
10.	Greater of D6 and D9	4,221,196
11.	Assets (A3)	2,649,999
12.	Maximum Contribution (D10 - D11 not less than zero)	1,571,197
13.	Contribution to meet termination liability	0
14.	Contribution to meet 110% of Current Liability	0




DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 VALUATION RESULTS 07-18-2008
PPA 2008 test plan W/ SALARY SCALE
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

FUNDING TARGET ATTAINMENT PERCENTAGES (FTAP)

Actuarial value of assets (AVA)	649,999	Carryover balance (COB)	62,464
Market value of assets (MVA)	649,999	Prefunding balance (PFB)	0
Funding target (FT)	2,134,451	Shortfallbase (SB)	1,546,916
Vested funding target (VFT)	1,584,717		

TYPE OF FTAP		PERCENTAGE		APPLICATION		
1. FTAP exempt		AVA /	FT	=> 92% 2008 No Benefit restrictions		
		649,999 /	2,134,451 =	30.45%		
2. FTAP		C AVA -	COB -	PFB /	FT	On schedule SB Notice to Participants
		C 649,999 -	62,464 -	0 /	2,134,451 =	27.53%
3. AFTAP (ADJUSTED)		2 yr. NHCE Annuity				< 60% Accruals restricted Lump Sum fully restricted
		C AVA -	COB -	PFB + Purchase) /	FT	< 80% Benefit increases restricted Lump Sum partially restricted
		C 649,999 -	62,464 -	0 +	0 / 2,134,451 =	27.53%




DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 VALUATION RESULTS 07-18-2008
PPA 2008 test plan W/ SALARY SCALE
FOR THE PLAN YEAR 01/01/2008 THROUGH 12/31/2008

FUNDING TARGET ATTAINMENT PERCENTAGES (FTAP)

Actuarial value of assets (AVA)	2,649,999	Carryover balance (COB)	462,464
Market value of assets (MVA)	2,649,999	Prefunding balance (PFB)	0
Funding target (FT)	2,134,451	Shortfallbase (SB)	0
Vested funding target (VFT)	1,584,717		

TYPE OF FTAP		PERCENTAGE		APPLICATION		
1. FTAP exempt		AVA /	FT	=> 92% 2008 No Benefit restrictions		
		2,649,999 /	2,134,451 =	124.15%		
2. FTAP		C AVA -	COB -	PFB /	FT	On schedule SB Notice to Participants
		C 2,649,999 -	462,464 -	0 /	2,134,451 =	102.49%
3. AFTAP (ADJUSTED)		2 yr. NHCE Annuity				< 60% Accruals restricted Lump Sum fully restricted
		C AVA -	COB -	PFB + Purchase) /	FT	< 80% Benefit increases restricted Lump Sum partially restricted
		C 2,649,999 -	462,464 -	0 +	0 / 2,134,451 =	102.49%


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082 07-18-2008

SUMMARY OF CONTRIBUTION REQUIREMENTS FOR
PPA 2008 test plan W/ SALARY SCALE
past service from 1/1/05


For plan year beginning 01/01/08 and ending 12/31/08

IRC SECTION 430(c) REQUIRES ACCELERATED QUARTERLY CONTRIBUTIONS FOR UNDERFUNDED PLAN. FAILURE TO CONTRIBUTE THE STIPULATED AMOUNT BY THE DUE DATE WOULD RESULT IN A LATE INTEREST CHARGE. THIS IS MEASURED FROM THE DUE DATE TO THE DATE WHEN THE CONTRIBUTION IS ACTUALLY RECEIVED.
IRC SECTION 430(c) STIPULATES THAT A PLAN WITH A FUNDING SHORTFALL THE PRECEDING YEAR SHALL MAKE THE REQUIRED INSTALLMENT PAYMENT.

FUNDED CURRENT LIABILITY PERCENT IS 108.8 QUARTERLY CONTRIBUTIONS ARE NOT REQUIRED.

1. MINIMUM CONTRIBUTION FOR THE PREVIOUS PLAN YEAR	351,186
2. MINIMUM CONTRIBUTION FOR THIS PLAN YEAR AS OF 01/01/08	1,032,532
3. LESSER OF (1) OR 90% OF (2)	351,186
4. REQUIRED ANNUAL PERCENTAGE (REFER TO THE TABLE BELOW FOR THE APPLICABLE AMOUNT)	25.00%
5. QUARTERLY CONTRIBUTION (3) * (4)	87,797


DATE DUE	AMOUNT
04-15-2008	87,797
07-15-2008	87,797
10-15-2008	87,797
01-15-2009	87,797


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS REPORTS FOR PPA '06 2008 Valuations


THE ACTUARIAL VALUATION AT 01/01/2008 DEVELOPED COSTS FOR THE PLAN YEAR FROM 01/01/2008 TO 12/31/2008. THE COST IS DEVELOPED AS IF PAYMENT IS MADE IN FULL ON 01/01/2008. IF PAYMENT IS ACTUALLY MADE AFTER THAT DATE, THEN A SMALL ADJUSTMENT WILL BE REQUIRED. THE ADJUSTMENT REFLECTS INTEREST FROM 01/01/2008 TO THE DATE OF PAYMENT AT 5.96% PER ANNUM. THE TABLE BELOW SHOWS THE CONTRIBUTION REQUIRED FOR VARIOUS DATES OF PAYMENT.

IF FULL PAYMENT IS MADE ON:	THE REQUIRED CONTRIBUTION IS:
01/01/2008	\$1,032,532
02/01/2008	\$1,037,525
03/01/2008	\$1,042,543
04/01/2008	\$1,047,584
05/01/2008	\$1,052,650
06/01/2008	\$1,057,741
07/01/2008	\$1,062,856
08/01/2008	\$1,067,996
09/01/2008	\$1,073,161
10/01/2008	\$1,078,351
11/01/2008	\$1,083,565
12/01/2008	\$1,088,805
12/31/2008	\$1,094,071




DB DOS REPORTS FOR PPA '06 2008 Valuations


PPA08210	ACTUARIAL INFORMATION SCHEDULE SB (Form 5500)	07-18-2008
PPA 2008 test plan W/ SALARY SCALE For plan year beginning 01/01/08 and ending 12/31/08		
Basic Information		
1 Valuation date: 01/01/08		
2 Assets:		
a Market value		2,649,999
b Actuarial value		2,187,535
3. Funding target/participant count breakdown		
	1. Number of participants	2. Funding Target
a Retired participants and beneficiaries receiving payments	1	0
b Terminated vested participants	1	0
c Active participants		
(C) Non-vesteds		549,734
(CII) Vesteds		1,584,717
(CIII) Total active	7	2,134,451
d Total	9	2,134,451
4. At Risk		
a		0
b		0
5 Effective interest rate		
		5.96
6 Target normal cost		
		772,527



DB DOS REPORTS FOR PPA '06 2008 Valuations

Beginning of year carryover and prefunding balances		
	a. Carryover balance	b. Prefunding balance
7 Balance at beginning of prior year	462,464	0
8 Offset to prior years funding requirement	0	0
9 Amount remaining (7-8)	0	0
10 Int on 9 using prior yrs actual return of 0.000%	0	0
11 Prior years excess contributions	0	0
a Excess contributions (Prior Yr item 38)		0
b Int on (a) using prior yrs eff rate of 0.000%		0
c Total available at beg of curr plan yr		0
d Portion of (c) added to prefunding bal		0
12 Voluntary reduction	0	0
13 Balance at beg of curr yr (9+10+11d-12)	0	0
Funding percentages		
14 Ftap		102.49
15 Aftap		102.49
16 Prior years funding percentage		0
17 Percentage of funding target (<70%)		0

		 DATAIR EMPLOYEE BENEFIT SYSTEMS, INC.	
DB DOS REPORTS FOR PPA '06 2008 Valuations			
PPA08210	ACTUARIAL INFORMATION SCHEDULE SB (Form 5500)	07-18-2008	
PPA 2008 test plan W/ SALARY SCALE For plan year beginning 01/01/08 and ending 12/31/08			
Contributions and liquidity shortfalls			
18 Contributions made to plan			
(a) Date (MM/DD/YYYY)	(b) Amt by employer	(c) Amt by employee	(a) Date (MM/DD/YYYY)
01/01/2008	0	0	01/01/2008
			(b) Amt by employer
			0
			(c) Amt by employee
			0
Total			0
19 Discounted employer contributions			
a Contributions to minimum from prior years			0
b Contributions to avoid restrictions			0
c Contributions to minimum for current year			0
20 Quarterly contributions and liquidity shortfalls			
c			
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

		 DATAIR EMPLOYEE BENEFIT SYSTEMS, INC.	
DB DOS REPORTS FOR PPA '06 2008 Valuations			
Assumptions to determine funding target and target normal cost			
Discount rates			
a Segment rates	1st	2nd	3rd
	5.700	5.890	6.400
b Applicable month			
22 Weighted average retirement age			
23 Mortality table			
Reconciliation of unpaid minimum contributions for prior years			
28 Unpaid minimum required contributions	0		
29 Discounted employer contributions	0		
30 Remaining amount (28-29)	0		
Minimum required contribution for current year			
31 Target normal cost	772,527		
32 Amortization charges	Outstanding Balance		
a Net shortfall	0		
b Waiver	0		
34 Total funding requirement (31+32a-32b)	0		
	Carryover balance	Prefunding balance	
35 Balance to offset funding requirement	462,464	0	0
36 Adjusted cash requirement (34-35)	0		
37 Contributions to minimum for current year (19c)	0		
38 Excess contributions	0		
39 Unpaid minimum required contributions current year	0		
40 Unpaid minimum required contributions all years	0		



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

2008 PBGC Comprehensive Premium Filing


- DATAIR has approval
- Filing opened as of July 25, 2008
- Filing is electronic
- Form not filed – for illustration only
- Filing requires Pension Reporter version 1.24f. PR 1.24f will be released soon.



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.


PBGC REPORTS FOR PPA '06 2008 Valuations

- PBGC Segment Rates
 - Segment Rates for Month preceding Beginning of Plan Year
 - Calendar Year Plans default to December 2007 Segment Rates
 - May use same Segment Rates as used for funding




PBGC REPORTS FOR PPA '06 2008 Valuations

- PBGC Unfunded Vested Benefits
 - Accrued Benefits
 - as of Beginning of Premium Payment Year
 - Assets
 - As of Valuation Date
 - Unfunded Vested Benefits
 - As of Valuation Date




PBGC REPORTS FOR PPA '06 2008 Valuations

- Who can file now?
 - 2008 Beginning of Year Valuations
 - Retrospective or Prospective
 - Can't use 12/31/2007 valuations
 - no segment rates




PBGC REPORTS FOR PPA '06 2008 Valuations

- Who can file now?
 - 2008 End of Year Valuations
 - 2 Options
 - Option 1
 - If less than 25 Employees VPR Cap (Variable Rate Premium)
 - Pay \$5 per (Employees)²
 - Example
 - 10 employees
 - VRP = \$5 times 10² = \$500




PBGC REPORTS FOR PPA '06 2008 Valuations

- Who can file now?
 - 2008 End of Year Valuations
 - Option 2
 - Wait until End of Year, calculate Unfunded Vested Benefits
 - Pay lesser of VRP Cap or Variable Rate Premium
 - Caution – If you use VRP Cap, you may be paying when no Variable Rate Premium is due




	ERISA section 303	Standard Premium Funding Target	Alternative Premium Funding Target
Benefits reflected in calculation	All benefits earned or accrued as of the beginning of the plan year	Vested portion of benefits included in ERISA § 303 Funding Target	Vested portion of benefits included in ERISA § 303 Funding Target
Discount rate basis	<ul style="list-style-type: none"> 3 segments based on 24-month average of high-quality corporate bond yield curve phased-in over 3 years Options <ul style="list-style-type: none"> Disregard phase-in Use full yield curve, no phase-in or averaging 	3 segments based on high-quality corporate bond yield curve (no averaging or phase-in)	Whatever is used for ERISA § 303
Which month's yield curve?	<ul style="list-style-type: none"> January 2008 Options – December 2007, November 2007, October 2007, September 2007 	December 2007	Whatever is used for ERISA § 303
Mortality	<ul style="list-style-type: none"> As prescribed by Treasury Option – with Treasury approval, a plan-specific table 	Whatever is used for ERISA § 303	Whatever is used for ERISA § 303
All other assumptions	Based on actuary's expectations with some prescribed modifications if plan is at-risk	Whatever is used for ERISA § 303	Whatever is used for ERISA § 303




PBGC REPORTS FOR PPA '06 2008 Valuations

2008 Filing Due Dates				
Premium Payment Year Begins	Large Plans		Mid-size Plans	Small Plans
	Flat-rate Premium ^a	Variable-rate Premium ^b	Flat-rate and Variable-rate Premium ^b	Flat-rate and Variable-rate Premium
1/1/2008	02/29/2008	10/15/2008	10/15/2008	04/30/2009
01/02 - 02/01/2008	03/31/2008	11/17/2008 ^c	11/17/2008 ^c	06/01/2009 ^c
02/02 - 03/01/2008	04/30/2008	12/15/2008	12/15/2008	06/30/2009
03/02 - 04/01/2008	06/02/2008 ^c	01/15/2009	01/15/2009	07/31/2009
04/02 - 05/01/2008	06/30/2008	02/17/2009 ^c	02/17/2009 ^c	08/31/2009
05/02 - 06/01/2008	07/31/2008	03/16/2009 ^c	03/16/2009 ^c	09/30/2009
06/02 - 07/01/2008	09/02/2008 ^c	04/15/2009	04/15/2009	11/02/2009 ^c
07/02 - 08/01/2008	09/30/2008	05/15/2009	05/15/2009	11/30/2009
08/02 - 09/01/2008	10/31/2008	06/15/2009	06/15/2009	12/31/2009
09/02 - 10/01/2008	12/01/2008 ^c	07/15/2009	07/15/2009	02/01/2010 ^c
10/02 - 11/01/2008	12/31/2008	08/17/2009 ^c	08/17/2009 ^c	03/01/2010 ^c
11/02 - 12/01/2008	02/02/2009 ^c	09/15/2009	09/15/2009	03/31/2010
12/02 - 12/31/2008	03/02/2009 ^c	10/15/2009	10/15/2009	04/30/2010


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS FOR PPA '06 2008 Valuations


- Part I – Complete Items 1-4
- Part II – Check Box only if you elect the Alternative Premium Funding Target
 - Not recommended


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS FOR PPA '06 2008 Valuations

Amended Filing
 2008 PBGC Comprehensive Premium Filing
 Disaster Relief (enter code)

Part I - General Plan Information	
1 Plan sponsor information <input type="checkbox"/> Check for name/address change	
a Name	25 -- SingleER small applying VRP Cap
b Address line 1	888 VRP Cap Way
c Address line 2	
d City	Maya
e State	IL
f Zip	60008
g Country (if not U.S.)	
h Six digit business code	111100
i First six digits of CUSIP number	
2 Plan administrator information <input checked="" type="checkbox"/> Check if same as plan sponsor and skip to item 3 <input type="checkbox"/> Check for name/address change	
a Name	
b Address line 1	
c Address line 2	
d City	
e State	
f Zip	
g Country (if not U.S.)	
3 Plan information	
a Plan name	25 - SingleER Small Applying VRP Cap Plan
b Premium payment year information:	
(1) The filing is for the premium payment year commencing 04/01/2008 and ending 03/31/2009	
(2) If the plan year commencement date has changed since the most recent PBGC filing, as a result of a plan amendment changing the plan year enter the date the plan year change was adopted _____	
(3) <input type="checkbox"/> Check box if plan qualifies to pay a prorated premium for this premium payment year (i.e. if plan has less than a full year of coverage)	
c Employer Identification Number and Plan Number information:	
(1) EIN and PN: EIN 32-4419570 PN 001	
(2) If the EIN and PN are not both the same as on the most recent premium filing, enter EIN and PN from most recent premium filing: EIN _____ PN _____ Otherwise, skip to item 3c(3).	
(3) If the EIN and PN are not both the same as on the 2007 Form 5500, enter EIN and PN from 2007 Form 5500 and provide explanation: EIN _____ PN _____	
Explanation _____	
Otherwise, skip to item 3d.	
d Plan type: <input type="checkbox"/> Multiemployer <input checked="" type="checkbox"/> Single-employer (including multiple-employer plans)	
e Plan size (based on prior year participant count): <input checked="" type="checkbox"/> Small (fewer than 100) <input type="checkbox"/> Mid-size (100-499) <input type="checkbox"/> Large (500 or more)	
<input type="checkbox"/> N/A; first-year's filing	
4 Plan contact Name: Harold Hornblower Phone number: (630) 165-7195 ext: _____	
E-mail address: Harold@hornblower.com	


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.


PBGC REPORTS
FOR PPA '06 2008 Valuations

Part II - Alternative Premium Funding Target Election

Single-employer plans only. Multiemployer plans - skip to Part III


5 Check box to indicate that the plan is electing to use the alternative premium funding target instead of the standard premium funding target, effective beginning with this premium payment year and for all subsequent premium years unless and until it is subsequently revoked.

Note that an election cannot be revoked for any premium payment year that begins less than five calendar years after the date the premium payment year reported in this filing begins. If an election is currently in effect, do not make an election again.


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS
FOR PPA '06 2008 Valuations


- **Part III**
 - Item 6 – Participant count is the same as prior year's 5500
 - Item 7
 - If over 25 employees and not exempt (7(a)) complete 7(c) - 7(f) and 7(g)(3) [Enrolled Actuary's signature required]
 - If under 25 employees, Check 7(b), Complete 7(c), 7(g)
- **Pension Reporter will transfer data Pension System and calculate the lesser of the VRP and the VRP Cap**
 - 7(d) Enrolled Actuary signature required
 - 7(c)-7(g)(i) omitted, No EA signature required


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS
FOR PPA '06 2008 Valuations

- Part III
 - Items 8-12 Complete if applicable
- Part IV
 - Items 13-19 Complete if applicable
 - Note Items 17 and 18
- Part V
 - Signature by Plan Administrator and EA when applicable


Note that the Confirmation Number received from the PBGC must be entered in Item 21


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS
FOR PPA '06 2008 Valuations

Part III - Premium Information

6 Flat-rate premium	
a Participant count date: 01/11/2008	
b Flat-rate premium calculation	
(1) Applicable rate (Single-employer plans enter \$55; Multiemployer plans, enter \$0)	33
(2) Participant count as of participant count date	25
(3) Flat-rate premium (Item 6b(1) x Item 6b(2))	825
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.	
<input type="checkbox"/> No vested participants <input type="checkbox"/> 412(c)(3) plan <input type="checkbox"/> Standard termination with a proposed termination date of _____	
b <input checked="" type="checkbox"/> 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: _____	
d <input type="checkbox"/> Premium funding target information - Check box if the reported premium funding target information is an estimate.	
(1) Premium funding target method: <input type="checkbox"/> Standard <input type="checkbox"/> Alternative	
(2) Discount rate(s) 1st segment _____ % 2nd segment _____ % 3rd segment _____ % <input type="checkbox"/> 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(3)) _____	
(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). _____	
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). 3,125	
8 Premium proration (If the plan does not qualify for premium proration, skip to item 9)	
a Number of months (complete and partial) in a 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 9b x Item 9a + 12. 3,950.00	
10 Premium credit (Including any payments already made for this premium payment year and any overpayment from prior plan year unless refund was requested)	
_____ 250.00	
11 Amount due (excess, if any, of item 9 over item 10)	
_____ 3,700.00	
12 Treatment of overpayment	
a Excess, if any, of item 10 over item 9 _____	
b Treatment of balance (select one):	
<input type="checkbox"/> Credit towards next year's premium <input type="checkbox"/> Refund by check <input type="checkbox"/> Refund by electronic funds transfer (preferred refund option)	
If you select a refund by electronic funds transfer, complete the following information: Type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings Banking routing number: _____ Account Number: _____ Sub-account number (if any): _____	



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS FOR PPA '06 2008 Valuations

Part IV - Miscellaneous Information

Items that do not apply should be left blank

13 Final filing - If this is the last filing for this plan, enter the date of event / / and check box that best describes why filing obligation is ceasing: Merger/Consolidation Distribution pursuant to termination Trusteeship Cessation of covered status

14 New and newly covered plans - If this filing is for a new plan or a newly-covered plan, report the plan effective date , the adoption date and the plan coverage date .

15 Transfers from other plans - If another plan transferred assets or liabilities to this plan since the most recent comprehensive premium filing, provide the following information with respect to each plan from which assets or liabilities were transferred (if transfer involved a new or newly-covered plan, see instructions).
 EIN PN Date Merger Consolidation Spinoff Other
 EIN PN Date Merger Consolidation Spinoff Other
 If more than two transferor plans are involved, include the above information for each additional transferor plan as an attachment.


16 Transfers to other plans - If this plan transferred assets or liabilities to another plan since the most recent comprehensive premium filing, provide the following information with respect to each plan from which assets or liabilities were transferred (if transfer involved a new or newly-covered plan, see instructions).
 EIN PN Date Merger Consolidation Spinoff Other
 EIN PN Date Merger Consolidation Spinoff Other
 If more than two transferee plans are involved, include the above information for each additional transferee plan as an attachment.

17 Participation freeze - If, as of the beginning of the premium payment year, this plan is closed to new entrants, enter the date the plan became closed to new entrants .

18 Accrual freeze - If, as of the beginning of the premium payment year, benefit accruals under this plan are partially or totally frozen, enter the date the freeze became effective and check box that best describes the nature of the freeze:
 For all participants, both pay and service are frozen. For all participants, service is frozen, pay is not
 For some participants, both pay and service are frozen. For some participants, service is frozen, pay is not
 Other (enter explanation)

19 Amended filing - Complete this item only if this is an amended filing
 a If either the first or last day of the premium payment year reported in this amended filing (Item 3b(1)) differs from what was reported in the filing that is being amended, provide the dates that were reported in the original filing:
 Date premium payment year commenced Date premium payment year ended
 b If the EIN and PN reported in this amended filing (Item 3c(1)) are not both the same as what was reported in the filing that is being amended, enter the EIN and PN from the original filing: EIN PN
 c If the reason for amending the filing is other than reconciling an estimated Variable-rate Premium and the total reported in this amended filing (Item 9) is less than the amount reported in the filing that is being amended, provide an explanation of why an amended filing is necessary:

20 Attachments (paper filers only) - If any attachments are included with this filing, check box and see instructions.




DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS FOR PPA '06 2008 Valuations

Part V - Certifications

21 Certification of Plan Administrator - The plan administrator must sign and complete this item.
 I certify under penalty of perjury, to the best of my knowledge and belief, that all the information in this filing is true, correct and complete and has been determined in accordance with the PBGC's premium regulations and instructions, except that if the filing reports an estimated premium funding target, the estimate is reasonable, takes into account the most current information available to the enrolled actuary, and has been determined in accordance with generally accepted actuarial principles and practices and that if I received variable-rate premium information certified by an enrolled actuary for this filing, the variable-rate premium information in the filing is the same as the variable-rate premium information certified by the enrolled actuary.
 Name of person signing: First name Harold Last name Hornblower
harold@hornblower.com (630) 165-9106 ext
 E-mail address Telephone
 _____ Confirmation Number _____ Date _____
 Signature


22 Certification of Enrolled Actuary - An enrolled actuary must sign and complete this item unless the plan is multiemployer plan, is exempt from the variable-rate premium, or is eligible for and paying the maximum VRP and not reporting the uncapped VRP.
 I certify under penalty of perjury, to the best of my knowledge and belief, that the variable-rate premium information in the filing is true, correct and complete and has been determined in accordance with PBGC's premium regulations and instructions, except that if the premium funding target is estimated, the estimate is reasonable, takes into account the most current information available to me and has been determined in accordance with generally accepted actuarial principles and practices.
 Name of person signing: First name _____ Last name _____
 _____ ext _____
 Firm Telephone
 _____ Enrollment number
 E-mail address
 _____ Date _____
 Signature


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PBGC REPORTS FOR PPA '06 2008 Valuations

Part III - Premium Information

6 Flat-rate premium:		
a Participant count date: 05/31/2008		
b Flat-rate premium calculation		
(1) Applicable rate (Single-employer plans enter \$33; Multiemployer plans, enter \$9)	33	
(2) Participant count as of participant count date	25	
(3) Flat-rate premium (item 6b(1) x item 6b(2))	660	
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.		
<input type="checkbox"/> No vested participants <input type="checkbox"/> 412(e)(3) plan <input type="checkbox"/> Standard termination with a proposed termination date of _____		
<input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> URB Valuation date: 05/31/2008		
d Premium funding target information - Check box if the reported premium funding target information is an estimate.		
(1) Premium funding target method: <input checked="" type="checkbox"/> Standard <input type="checkbox"/> Alternative		
(2) Discount rate(s) 1st segment 6.00% 2nd segment 5.00% 3rd segment 4.00% <input type="checkbox"/> N/A, full yield curve used		
(3) Premium funding target as of URB valuation date	453,434	
e Market value of assets as of URB valuation date	223,434	
f Unfunded vested benefits (excess, if any, of item 7d(3) over item 7e, rounded up to the next \$1,000)	233,000	
g Variable-rate premium calculation		
<i>If the plan does not qualify for the VRP cap, omit the following two items and skip to item 7g(3).</i>		
(1) Variable-rate premium before reflecting the cap (item 7f x 0.000)	1,989	
(2) Maximum VRP (\$5 x item 6b(2) x item 6b(2))	2,000	
(3) Variable-rate premium	1,989	
<i>If the plan does not qualify for the VRP cap, item 7f x 0.000.</i>		
<i>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).</i>		
8 Premium proration (If the plan does not qualify for premium proration, skip to item 9)		
a Number of months (complete and partial) in a short plan year		
b Total premium before reflecting proration (item 6b(3) + item 7g(3), if applicable)		
9 Total premium		
<i>If the plan does not qualify for premium proration, item 6b(3) + item 7g(3), if applicable.</i>		
<i>If the plan qualifies for premium proration, item 8b x item 9a + 12.</i>		
	2,639.00	
10 Premium credit (Including any payments already made for this premium payment year and any overpayment from prior plan year unless refund was requested)		
	0.00	
11 Amount due (excess, if any, of item 9 over item 10)		
	2,639.00	
12 Treatment of overpayment		
a Excess, if any, of item 10 over item 9		
b Treatment of balance (Select one):		
<input type="checkbox"/> Credit towards next year's premium	<input type="checkbox"/> Refund by check	<input type="checkbox"/> Refund by electronic funds transfer (preferred refund option)
If you select a refund by electronic funds transfer, complete the following information:		
Type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	Banking routing number	
Account Number	Sub-account number (if any)	


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

DB DOS PPA '06 2008 Valuations

- Recommended Contribution Valuations
 - Level Contributions
 - PPA minimum may be too low
 - PPA Maximum contribution may not be made indefinitely
 - Suggest Individual Aggregate for ongoing plans
 - Suggest Projected Unit Credit for frozen plans



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations 2007 AFTAP

- **Proposed Regulation 1.436(j)(3)(iii)(B)**


Funded current liability % with numbers from 2007 Schedule B will be used for '08 as the prior year AFTAP after adjustment for annuity purchases



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.


PPA '06 2008 Valuations AFTAP

- **AFTAP indicates funding of plan**
- **If AFTAP below 80% or 60%, limitations of payments and accruals (Sec. 436)**




PPA '06 2008 Valuations AFTAP

If Enrolled Actuary has not issued certification of a plan's 2007 AFTAP, the AFTAP of the 2008 plan year is presumed to be less than 60% until 2007 AFTAP is certified.




PPA '06 2008 Valuations AFTAP

- Until 2008 AFTAP is certified, 2007 AFTAP will be used.
- BUT, AFTAP will be **PRESUMED** to be **10 Percentage Points** less than 2007 AFTAP unless actual 2008 AFTAP is certified by 1st day of 4th month.



PPA '06 2008 Valuations AFTAP

- **New Plan Exception – Limitations do not apply to the first five years (but take into account predecessor plans)**
- **However, restrictions on lump sums distributions apply – IRC 436(g)**



PPA '06 2008 Valuations AFTAP

- **Basic Rules**
 - **2007 AFTAP greater than 90% - no problem**
 - **2007 AFTAP less than 90% but greater than 70% - Limitations on distributions maybe a problem. Watch out!**
 - **2007 AFTAP less than 70% - problems**
(Advanced Valuations for '08 year may be required if AFTAP applicable for current year is 90% or less.)



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations AFTAP


- 2007 AFTAP only good until 9/30/08
- 2008 AFTAP is required at **10/01/08** or plan is **presumed** to be less than 60% funded.



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations AFTAP

- Example – No Burn of Carryover balance


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

July 28, 2008

**Administrator of the Client
 Defined Benefit Plan
 495 Oak Road
 Anywhere, PA 18301**

Certification of Adjusted Funding Target Attainment Percentage (AFTAP)

The Pension Protection Act of 2006 (PPA) and Section 436 of the Internal Revenue code require the calculation of a funding ratio called the Adjusted Funding Target Attainment Percentage (AFTAP) in order to determine whether the Plan is subject to new limits on plan amendments, lump sum distributions and benefit accruals, starting in 2008.

Assumptions used for determining AFTAP:

Pre-retirement Interest:	5.49%
Pre-retirement Mortality:	None
Post-retirement Interest:	5.49%
Post-retirement Mortality:	2007 Combined Mortality Table for Current Liability


Determination of AFTAP as of December 31, 2007 (2007 AFTAP)

1.	RPA '94 Current Liability	\$	59,804
2.	a. Actuarial Value of Assets	\$	-
	b. Receivable Contributions		78,899
	c. Credit Balance in Funding Standard Account		1,184
3.	Funding Target Attainment Percentage (equals items (2a + 2b) divided by item 1)		131.9%

If item 3 is greater than 90%, the FTAP and AFTAP are deemed equal


Sam Actuary
 Enrollment Number 08-09999

To the best of my knowledge, the information included in this certification is complete and accurate. We have relied on the asset, liability and other pertinent information that has been provided by the plan's third party administrator. Until final AFTAP regulations are issued, this certification represents a good faith interpretation of the law.


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations AFTAP

- Example – Burn of Carryover balance


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

July 28, 2008

Administrator of the ABC
 Defined Benefit Plan and Trust
 315 N. Atlantic Avenue
 Daytona Beach, FL 32118

Certification of Adjusted Funding Target Attainment Percentage (AFTAP)

The Pension Protection Act of 2006 (PPA) and Section 426 of the Internal Revenue code require the calculation of a funding ratio called the Adjusted Funding Target Attainment Percentage (AF TAP) in order to determine whether the Plan is subject to new limits on plan amendments, lump sum distributions and benefit accruals, starting in 2008.

Assumptions used for determining AF TAP:

Pre-retirement Mortality:	None
Post-retirement Mortality:	2008 Combined Mortality Table for Current Liability
First Segment Rate	5.72%
Second Segment Rate	5.92%
Third Segment Rate	6.09%

Determination of AFTAP as of January 1, 2008 (2008 AF TAP)


1. Funding Target	\$	297,911
2. a. Actuarial Value of Assets	\$	257,841
b. Receivable Contributions		-
c. Carryover Credit Balance	\$	50,000
d. Carryover Credit Balance burned	\$	30,488
e. Remaining Carryover Credit Balance	\$	19,512
3. Funding Target Attainment Percentage (FTAP Exempt) (equals items (2a + 2b) divided by item 1)		86.5%
4. Adjustment for Annuity Purchases for NHC E's last 2 years	\$	-
5. Adjusted Funding Target Attainment Percentage (2008 AF TAP) (equals items (2a + 2b - 2c + 4) divided by items (1 + 4))		80.0%

If FTAP Exempt (Item 3) is greater than 92%, then AFTAP (Item 5) is equal to FTAP Exempt

* In accordance with regulations this amount was used to increase the 2008 AF TAP

Sam Actuary
 Enrollment Number 08-09999

For the benefit of the subscriber, the information included in this contribution statement is not intended to constitute an offer of insurance. This information is provided for informational purposes only. It does not constitute an offer of insurance. The information is provided for informational purposes only. It does not constitute an offer of insurance. The information is provided for informational purposes only. It does not constitute an offer of insurance.


DATAIR
 EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Sole Proprietors
 - Beginning of Year Valuations – retrospective comp
 - End of Year Valuations
 - IRS did not realize scope of problems with reduction of Earned Income
 - Shortfall amortization costs probably allocated in proportion to Funding Target



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- End of Year Valuations
 - IRS awaiting Technical Corrections
 - Segment rates for EOY calendar plan will be August – December rates. (Be consistent from plan to plan)
 - Default rates will be rates for the “applicable month”, the month which includes the valuation date.
 - These default rates will be December.
 - Consider using August rates



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Life Insurance
 - Must use Fair Market Value under Rev. Proc 2005-25
 - **Can not** use One Year Term cost.
 - Use proportion calculation in 1.430(d)-1(c)



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Beginning of Year, Prospective Salary Valuations
 - Treasury and IRS both said not a reasonable funding method
 - Main problem is salary assumption
 - Will not stand up under audit



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- 94 GAR mortality table still to be used for 415(b)(2)(E)(ii) adjustments
- 415 mortality table will be changed in Technical Corrections
- Schedule SB will not change



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Ok to assume 100% probability of lump sum payments
- Can not use expense load for Early or Disability retirement. Must have decrements
- May anticipate participation in plan if benefits based upon service
- Can not use load for administrative expenses unless changed in Technical Corrections



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Use of carryover or prefunding balances to satisfy Quarterly Contribution requirement also satisfies Minimum Contribution requirements.
- Funding Target may be used as Current Liability for purposes of 1.401(a)(4)-5(B), Payments to restricted participants
- Remember that 415 and 401(a)(17) annual increases are amendments that may be restricted by Section 436 restrictions



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Awaiting Guidance
 - 404 deduction limits
 - At risk funding target
 - Mandatory use of pre-retirement mortality
 - A host of other questions.



DATAIR
EMPLOYEE BENEFIT SYSTEMS, INC.

PPA '06 2008 Valuations Topics of Interest

Software Symposium with Treasury and IRS

- Final Regulations
 - Hopefully end of September
 - 3 releases
 - 5 years worth of mortality tables
 - 436
 - 430

