



**Defined Benefit System  
DB PPA Vals & 5500**

**Presented by  
Dave Roper**



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## Agenda

- Coding of DOS system
  - Normal Valuations
  - Converting from EOY to BOY
  - Converting from BOY Prospective to BOY Retrospective
- New Reports – what to look for



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## 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



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## 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



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## 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



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## **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, BUT may still perform EOY valuations**



## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

```
PS.EXE
IO *** 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  Overtime
```



## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

```
10 *** NAME, DATES, ETC.          Plan Number  PPA08EOY
Original Plan Effective Date 010183
Anniversary Date..... 010108
Valuation/Allocation Date... 123108
Eligibility Date..... 010108
Plan Year End..... 123108
Limitation Year End..... 123108
1099-R Tax Year.....  ———
Years Plan Was Top Heavy....  — — — — — — — — —
Valuation at Beginning or End of Year (B,E) E

DATE (MMDDYY)                                5-1  overtime
```



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## **DB DOS SCREEN CODING FOR PPA '06 2008 Valuations**

- **Screen 15**
- **Prospective/Retrospective Salary**
  - **For Beginning of Year valuations**
  - **IRS doesn't like BOY Prospective vals**
  - **If changing from BOY Pro to true BOY (retrospective salaries), changes to Screen 34 salary history years required**
  - **See later section on BOY/P to BOY/R**



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## **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)**



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## **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)
  - Must use correct year's mortality – 09x00 for 2009 valuations
  - 2008 to 2013 tables are available in System



## 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.....
Number of Years in Salary Average(XX Yrs) 3 3
Last Years (YY Yrs)..... 99 99
Prospective/Retrospective Salary (P,R)... R
Disregard Salary in Termination Year(Y,N) N 3 Yr Sal Avg for 415 (S,P).. S
Salary Increase Percent (Scale)..... 3.000
Calculate Curr Liab using Optional Combined Table (Y,N)
Pre-Ret Interest Rate..... 5.000 5.000 _5.330
Pre-Ret Mortality Table..... 08N00
Male Blend Percentage.....
Years Setback/Setforward: Males (-/+)...
Years Setback/Setforward: Females (-/+)..
Turnover/Withdrawal Table (T1-T9,TA-TF)..
Soc Sec Backward Salary Projection Pct...
Soc Sec Covered Compensation Projection %
Normal Cost Percent Load.....
Calculate PVB for Inactives Using Funding Assumptions (Y,N,1) Y
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-13C,08A-13A,08N-13N,08E-13E, 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
    
```



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## **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 changes every year**
- **May use “Applicable Mortality Table” as Actuarial Equivalence**
- **Use 09 tables for 2009 valuations**



## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

16 *** POST-RETIREMENT ASSUMPTIONS				Act	Current Liab
Plan Number	PPA08BOY	Funding		Equip	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		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					
MMY for 30 Year Treasury Rate					
Expense Loading Option (0-2)		0			
Cost of Living Increase					
XXXY0, 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-13C,08A-13A,08N-13N,08E-13E, 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

1/1/08 rates

12/07 rates

12/07 Spot rates



## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

Plan Number	PPA08EOY	Funding	Act Equip	Current Liab
				RPA94
16 *** POST-RETIREMENT ASSUMPTIONS				
Normal Form of Payment (1-5)				
Annuity Rate Based on Actuarial Assumptions (Y,N)	Y			
417(e) PVAB Calculation Method (0,1,2-9,A-Z,!#\$%^&*)	0			
Use Mortality in Pre-Ret 417(e) Calc (Y,N)	N			
Post-Ret Interest Rate	5.000		-5.000	-5.330
Mortality Table	08C00		I83M0	
Male Blend Percentage				
Years Setback/Setforward: Males (-/+)				
Years Setback/Setforward: Females (-/+)				
Funding Segment Rates (1st, 2nd, 3rd)		5.740 6.070 6.230		
417(e) Segment Rates (1st, 2nd, 3rd)		4.600 4.850 4.910		
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				
Percent Load of PVB for Ancillary Benefits				
XXXY0, 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-13C,08A-13A,08N-13N,08E-13E, 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

Aug 08 rates

11/07 rates

12/07 spot rates


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## 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 4<sup>th</sup> month preceding valuation month
    - Be consistent with all plans

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.



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## 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

Enter 417(e) applicable transitional segment rates. Rates may be for 1st to 5th month preceding stability period.



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## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

- **Screen 16**
- **PBGC Segment Rates (1st, 2nd, 3rd)**
  - Similar to Funding rates
  - Month prior to Premium Payment Year
  - BOY and EOY valuations use same rates
  - May elect to use same rates as funding

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.



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## **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.**



## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

**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			(7) Weighted Bond Interest Rates		(8) 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%	175% AFR	120% AFR
<b>2 0 0 9</b>																				
Jun 09																				
May 09																				
Apr 09																				
Mar 09																				
Feb 09																				
Jan 09																				
<b>2 0 0 8</b>																				
Dec 08																				
Dec 09	PYB 2009 66.67%/40% Blend -->																			
Nov 08				3.75 (Z)	5.17	6.28	6.62	5.86	6.23	6.34							5.58	6.20	5.23	3.57
Nov 09	PYB 2009 66.67%/40% Blend -->																			
Oct 08	4.17	7.90		3.25 (X)	5.09	6.16	6.58	5.79	6.15	6.29	4.81	5.06	4.79	7.35	8.61	7.26	5.52	6.14	5.58	3.81
Oct 09	PYB 2009 66.67%/40% Blend -->																			
Sep 08	4.27	6.98		3.50 (Y)	5.07	6.09	6.56	5.76	6.10	6.25	4.59	4.89	4.79	5.86	7.35	6.88	5.49	6.10	6.09	4.16
Sep 09	PYB 2009 66.67%/40% Blend -->																			
Aug 08	4.50	6.76		3.25 (X)	5.08	6.06	6.55	5.74	6.07	6.23	4.64	4.97	4.98	5.21	6.87	6.91	5.46	6.07	6.25	4.26
Aug 09	PYB 2009 40% Blend -->																			
Jul 08	4.57	6.79		3.50 (Y)	5.10	6.03	6.54	5.73	6.04	6.21	4.69	5.03	5.06	5.16	6.88	7.04	5.44	6.04	6.08	4.14
Jun 08	4.69	6.69		3.25 (X)	5.13	6.01	6.53	5.72	6.02	6.19	4.75	5.08	5.14	4.99	6.64	6.95	5.42	6.02	5.63	3.84
May 08	4.60	6.47		3.25 (X)	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		3.25 (X)	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		3.00 (W)	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



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## **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**



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## **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.**



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## 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.....
  MMY 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
    
```



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## **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**



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## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

```

PS.exe
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.....
Maximum Years to Amortize FIPSL..... 7
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  overtime
    
```



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## **DB DOS SCREEN CODING FOR PPA '06 2008 Valuations**

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



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## DB DOS SCREEN CODING FOR PPA '06 2008 Valuations

### • Screen 20 – second page

Expected Current Liability Increase (ovrd):	OBRA:	_____	RPA:	_____
Expected Release from Current Liability:.....	OBRA:	_____	RPA:	_____
Expected Benefit Payments (ovrd).....		_____		
Expected Plan Disbursements.....		_____		
Funding Target for Retirees and Beneficiaries Receiving Payment		_____		
Funding Target for Vested Terminees.....		_____		
Funding Target for Active Non-vested.....		_____		
Funding Target for Active Vested.....		_____		
Funding Target Attainment Percentage (FTAP).....		_____		
Adjusted Funding Target Attainment Percentage (AFTAP).....		_____		
Prior Year's Funding Percentage.....		_____		
Assets as Pct of Funding Target if less than 70%.....		_____		
Contributions Toward Unpaid Prior Year Required Cont.....		_____		
Contributions Made to Avoid Restrictions Adj to Val Date.....		_____		
Contributions Toward Min Required, Adjusted to Val Date.....		_____		
Net Shortfall Amortization Balance		_____	Charge	_____
Waiver Amortization Balance		_____	Charge	_____
Adjusted Target Normal Cost.....		_____		
Carry Over Balance Used to Offset Funding Requirement.....		_____		

NUMERIC (XXXXXXXX) Zero is override, Blank is clear S-184 Overtime



## 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)... Y
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
    
```



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**CONVERTING TO  
BEGINNING OF YEAR  
VALUATION  
FROM  
END OF YEAR VALUATION**



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## **COPYING PLAN FILES**

- **After 2007 valuation work is completed, make a copy of the plan files, indicating it is a 2008 plan year.**
- **Our example is 2007EOY copied to BOY2008.**



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# COPYING PLAN FILES

-- PENSION SYSTEM -- Vers=3.41b  
(C) Copyright DATAIR Employee Benefit Systems Inc. 1983-2008

## MAIN MENU

### Cycle

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Add/Change Plan            | 8. Copy Plan                     |
| 2. Select Calculations        | 9. Temporary Exit to DOS         |
| 3. Select Reports             | A. New Configuration             |
| 4. Begin Calculating/Printing | B. Utilities                     |
| 5. Delete Plan                | C. Plan Comparison               |
| 6. Clear Calc/Print Schedule  | D. DATAIR Training & Products    |
| 7. Plan Directory             | E. Export Data                   |
|                               | I. Import Data                   |
|                               | P. Preview Output or View a File |
|                               | T. 1099-R Transmitter Data       |
|                               | X. Exit                          |


Enter Cycle 8 \_ \_ \_

Plan Number 2007EOY\_

F1=help Ctrl-F1=keyboard help Alt-F1=release notes.

Enter the cycle code(s) desired. Only cycle 4 will cause calculations to be done or reports to be printed. You can use cycles 2 and 3 to select several plans at a time. S gives system and license information.

CHARACTER Length= 1 0000T Overtyp



## COPYING PLAN FILES

\*\*\* COPY A PLAN \*\*\*

Plan to Copy From (or END) 2007EOY \_\_\_\_\_

New Plan..... BOY2008█ \_\_\_\_\_

Copy Code (0,1)..... \_

CHARACTER Length= 50 Overtime



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## UPDATING FILE TO NEXT YEAR

- **After the 2007EOY has been copied to BOY2008, BOY2008 must be updated to 2008.**
- **Enter 2,4 for Cycle with the BOY2008 file in the Plan Name field**
- **DO NOT CLEAR COMPENSATION DURING UPDATE**



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# UPDATING FILE TO NEXT YEAR

-- PENSION SYSTEM -- Vers=3.41b  
(C) Copyright DATAIR Employee Benefit Systems Inc. 1983-2008

## MAIN MENU

### Cycle

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Add/Change Plan            | 8. Copy Plan                     |
| 2. Select Calculations        | 9. Temporary Exit to DOS         |
| 3. Select Reports             | A. New Configuration             |
| 4. Begin Calculating/Printing | B. Utilities                     |
| 5. Delete Plan                | C. Plan Comparison               |
| 6. Clear Calc/Print Schedule  | D. DATAIR Training & Products    |
| 7. Plan Directory             | E. Export Data                   |
|                               | I. Import Data                   |
|                               | P. Preview Output or View a File |
|                               | T. 1099-R Transmitter Data       |
|                               | X. Exit                          |

Enter Cycle 2 4 \_ \_

Plan Number BOY2008\_

F1=help Ctrl-F1=keyboard help Alt-F1=release notes.

The Plan Number identifies the plan to be selected. Cycles 4,6-9,A and X do not require a plan number. A plan number of 'DEFAULT' allows you to enter or change your default values.

CHARACTER Length= 8

Overtime



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## UPDATING FILE TO NEXT YEAR

\*\*\* CALCULATION SELECTION \*\*\*

Plan Number BOY2008 NOTICE 2008-73

```

Perform Calculations (Y,N)..... _
Update Master File for Next Period (Y,N,1,2)..... Y
Clear Compensation During Update (Y,N)..... N
Clear Premiums (Y,N)..... _
Clear User Defined Numbers (Y,N)..... _
** Master File Compression Options **
Delete Unneeded Terminated Employees (Y,N,1)..... _

```

Y=Clear premium on non-issued policies so that it will be recalculated for the next period/year based on the new contribution less year to date paid premium. The best use for this is in a 401(k) plan where premium is a percent of contribution and changes each period. N=Do not clear premiums (default)

CHARACTER Length= 1 Overtime



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## **RECODING BOY2008 PLAN FILES**

### **SCREEN 10**

- **CHANGE VALUATION DATE = 010108**
- **CHANGE VALUATION AT BEGINNING OR  
END OF YEAR = B**



# RECODING BOY2008 PLAN FILES

```
10 *** NAME, DATES, ETC.          Plan Number  BOY2008
Original Plan Effective Date 010101
Anniversary Date..... 010108
Valuation/Allocation Date... 010108
Eligibility Date..... 010108
Plan Year End..... 123108
Limitation Year End..... 123108
1099-R Tax Year..... ____

Years Plan Was Top Heavy.... _1 _2 _3 _4 _5 _6 _7 _8 _ _
Valuation at Beginning or End of Year (B,E) B

DATE (MMDDYY)                               5-1 Overtime
```



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## RECODING BOY2008 PLAN FILES

### SCREEN 11

- **New Participants in Current Valuation  
(Y,N) = Y**



**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

# RECODING BOY2008 PLAN FILES

```

11 *** ELIGIBILITY/PARTICIPATION      Plan Number  BOY2008
Minimum Age..... 21.0
Maximum Age..... 99
Months of Service..... 12
Months.Days Equal 1000 Hrs..... 5.15
Hours for Eligibility..... 1000
Participation Date Option (1-9)..... 7
Primary Entry Date (MMDD).....
New Participants in Current Valuation (Y,N) Y
Age Definition Near/Last Birthday (N,L)... L
Eligibility Age (N,L)..... L
Calc Part. Dates Prior to Current Year(Y,N) N
Entry Age Calculation Option (1-6)..... 3
Exact Age Calc (0-2)..... 0
Use Plan Entry Date for Otherwise Excludable Determination (Y,N) _

NUMERIC (XX.X)                               S-8      Overtime

```



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## RECODING BOY2008 PLAN FILES

### SCREEN 12

- **CREDIT FULL YEAR OF SVC IN YEAR OF RET FOR CONT (Y,N) = N**



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EMPLOYEE BENEFIT SYSTEMS, INC.

# RECODING BOY2008 PLAN FILES

```

12 *** RETIREMENT PROVISIONS          Plan Number  BOY2008
Normal Retirement Date Option (0-5)..... 1
Normal Retirement Age..... 65
Minimum Years of Participation..... 5
Minimum Years of Service..... —
Retire When Age+Svc Is (XX)..... —

Max Ret Age Option (1,2)..... 1
Maximum Retirement Age..... —

Early Retirement Age..... —
Minimum Years of Participation for Early Ret.... —
Minimum Years of Service for Early Ret..... —
Years Before Normal Ret for Early Ret..... —
100% Vested Upon Satisfaction of Early Ret (Y,N) N

Credit Full Year of Svc in Year of Ret for Cont (Y,N) N   Adjust (Y,N) N

DB plans N=Beginning year val Y=End of year val

CHARACTER   Length= 1                               C-92   Overtime

```



**DATAIR**  
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## RECODING BOY2008 PLAN FILES

### SCREEN 15

- **Prospective/Retrospective Salary (P,R) = R**
- **If Pre-retirement mortality is coded, change it to either 08C00 or 08N00 depending upon post-retirement mortality**



# RECODING BOY2008 PLAN FILES

```

15 *** PRE-RETIREMENT ASSUMPTIONS
Plan Number BOY2008 Funding Act Equiv RPA-94
Average Salary Code (1-9,A,B)..... 4 A Curr Liab
Salary Exclusion Period.....
Number of Years in Salary Average(XX Yrs) 3 3
Last Years (YY Yrs)..... 99 10
Prospective/Retrospective Salary (P,R)... R
Disregard Salary in Termination Year(Y,N) N 3 Yr Sa1 Avg for 415 (S,P).. S
Salary Increase Percent (Scale).....
Calculate Curr Liab using Optional Combined Table (Y,N)
Pre-Ret Interest Rate..... 5.000 5.000 5.330
Pre-Ret Mortality Table.....
Male Blend Percentage.....
Years Setback/Setforward: Males (-/+)...
Years Setback/Setforward: Females (-/+)..
Turnover/Withdrawal Table (T1-T9,TA-TF)..
Soc Sec Backward Salary Projection Pct...
Normal Cost Percent Load..... NC $ Load
Calculate PVB for Inactives Using Funding Assumptions (Y,N,I) Y
Calculate Normal Cost for Late Retirees (Y,N).....
1=Curr comp 2=Career comp(use if career avg sal) 3=Final XX yrs 4=XX high consec
yrs of last yy yrs of part 5=XX high consec yrs of last YY yrs 6=XX high yrs of
last YY yrs of part 7=XX high yrs of last YY yrs 8=>curr/XX high or avg if in YY
yrs of ret 9=Same as 4 using svc A=Same as 5 using part B=> of curr or xx yr avg
CHARACTER Length= 1 C-47 Overtime
    
```



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## **RECODING BOY2008 PLAN FILES**

### **SCREEN 16**

- **ENTER MORTALITY TABLE**
  - 08C00
  - 08A00
- **ENTER SEGMENT RATES**
  - FUNDING
  - 417(e)
  - PBGC IF REQUIRED



# RECODING BOY2008 PLAN FILES

```

16 *** POST-RETIREMENT ASSUMPTIONS
   Plan Number BOY2008                               Funding      Act      Current Liab
                                                Equiv      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)..... N
Use Mortality in Pre-Ret 417(e) Calc (Y,N)..... N
Post-Ret Interest Rate..... 5.000      _5.000      _5.330
Mortality Table..... 08C00      G8300
Male Blend Percentage..... _50.000
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 _4.930
PBGC Segment Rates (1st, 2nd, 3rd)...
Limit Lump Sum for Funding to 415 Max (0-6)..... 5
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
    
```



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## **RECODING BOY2008 PLAN FILES**

### **SCREEN 19**

- **CHANGE ACTUARIAL COST METHOD = 7**
- **NORMAL COST CALCULATION METHOD = P**
- **ASSETS = ASSETS @ BEGINNING OF YEAR**
- **Maximum Years to Amortize FIPSL = 7**
- **Based on Svc or Part (S,P) = EITHER**



# RECODING BOY2008 PLAN FILES

```

19 *** COST METHOD/VALUATION          Plan Number  BOY2008
Actuarial Cost Method (1-9,A-F) 7     Normal Cost Calculation Method (1-3,P) P
Actuarial Value of Assets.....      442376.00
Current Value of Assets: BOY 442376.00  Val Date 442376.00
Cash Value for OBRA 87 FFL (Non-UL).....
Credit Balance/Funding Deficiency (+/-)..... 2999.00
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.....
Maximum Years to Amortize FIPSL..... 7
Max Funding/Accrual Years.....
Based on Svc or Part (S,P)..... P

```

Current value of plan assets at beginning of plan year. Enter the net assets as reported on Form 5500, Schedules H or I or 5500 EZ as of the beginning of the year. Include any cash surrender values. Do not include rollover accounts. Line 2(a) of Sched B.

NUMERIC (XXXXXXXXXX.XX) D-237 Overtime



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## RECODING BOY2008 PLAN FILES

### SCREEN 21

- **Zero Norm Cost if Current AB Less Than Prior AB (Y,N) = Y**



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# RECODING BOY2008 PLAN FILES

```

21 *** TOP HEAVY/ACCRUED BENEFIT      Plan Number  BOY2008
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)  P
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)... Y
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

```

CHARACTER Length= 1

C-219 Overtime



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## **RECODING BOY2008 EMPLOYEE SCREENS**

### **SCREEN 30**

- **COMPENSATION SHOULD BE THE SAME  
AS IN THE 2007EOY FILE**



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EMPLOYEE BENEFIT SYSTEMS, INC.

# RECODING BOY2008 EMPLOYEE SCREENS

```

30      *** EMPLOYEE CENSUS INFORMATION
Employee Name.  OWNER_____
Sex (M,F)..... M
Date of Birth..... 031847
Comp. Mode(A,S,Q,M,2,B,W,H,Y)..... A
415(c) Compensation.....
414(q) Compensation for Last Year.. ___124571.00
Highly Paid Code (0-7)..... 1
Position (P,K,F,O)..... P   Class ___
Status (O,T,I,D,R,L,E,Z,CYXN,UAP)..... _
Termination Date.....
Social Security Number.....
Hours worked.....
Date of Participation..... 010101
Percent Ownership.....
Vested Percent          Vested Amount
Employer V% _____ ..... 100.000

Plan Number  BOY2008
Employee Number  000000001
Date of Employment.  060100
Compensation.  ___124571.00
High Paid Last Yr (Y,N).  Y
Employer Code.....
Date of Retirement.  040112
Year Vesting Begins..
Prior Year Vested Percent

```

CHARACTER Length= 32

C-1 Overtime



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## **RECODING BOY2008 EMPLOYEE SCREENS**

### **SCREEN 32**

- **BLANK OUT**
  - For Vesting
  - For Accrued Benefit
  - Total Years of Expected Participation/Service For Accrued Benefit
  - Accrued Top Heavy Years
  
- **REMEMBER TO USE THE KEYBOARD MACRO**



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EMPLOYEE BENEFIT SYSTEMS, INC.

## RECODING BOY2008 PLAN FILES

```

32      *** SERVICE, DB OVERRIDES, ETC.                               Plan Number BOY2008
Employee Name. OWNER_____ Employee Number 000000001
Prior Year Past Service  _8   For Vesting  _7   For Accrued Benefit.  _
For 410(b)  _   415 Participation Ovr.  _____
Total Years of Expected Participation/Service For Accrued Benefit.....
Years of Svc/Part Prior to Fresh Start.....
Current Valuation's Accrued Benefit Fraction of Year Override.....
Acc Ben Mnths of Svc/Part-Curr  _   Past  _   Total  _
TEFRA Minimum Acc Ben at Beg Yr..  _   At End Yr...  _
Accrued Top Heavy Years.....  _4   Entry Age..... 53
Normal Cost.....
404 Normal Cost.....
Prior Year Normal Cost..... 100029.00
Prior Year 417(e) PVAB..... 469691.00
Benefit Offset Amount..... 415 Offset Amt _____
Current Liability.....
Total Distributions This Year.....
Prior Yr In-Svc Dist -1  _   -2  _   -3  _   -4  _
    
```

Service at the end of last year. If enough hours this year, one year will be added to service

NUMERIC (XX.XX) Zero is override, Blank is clear I-74 Overtime

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## RECODING BOY2008 EMPLOYEE SCREENS

### KEYBOARD MACRO

You can teach the Pension System a series of key strokes and then execute them by pressing the Alt-0 (or F3) key. Press the Ctrl-S (or F2) key to start learning (it will beep once), press any series of keys, then press Ctrl-Q (or F2 again) to stop learning (it will beep twice). Now, whenever you press the Alt-0 (or F3) key, that series of key strokes will be entered for you. When you exit from the Pension System your keyboard macro will be forgotten.

For example, you need to change the normal retirement age, but everyone in the plan already has a date of retirement on screen 30 which must be recalculated. You must clear out the old date of retirement. To do this, you could enter employee number 999999999, screen 30 and press PgDn. On the first employee, you could define a keyboard macro by pressing Ctrl-S while the cursor is at the top of the screen, then pressing the Tab key until the cursor is at the date of retirement field, then press the Ctrl-X key to clear the field, then press the PgDn key to go to the next employee, and finally press Ctrl-Q to stop learning the keyboard macro. Now, on every employee that you wish to clear the date of retirement, just press the Alt-0 key, otherwise press PgDn.

**CAUTION:** A keyboard macro is just a series of key strokes, if you press Alt-0 at the wrong place, the series of keystrokes will be executed and something unexpected may happen.



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## **RECODING BOY2008 EMPLOYEE SCREENS**

### **SCREEN 34**

- **SALARY HISTORY YEARS MUST HAVE 1 ADDED TO THEM IF A CALENDAR YEAR PLAN**
- **IF THE PLAN IS OFF CALENDAR, NO ADJUSTMENT IS REQUIRED**
- **USE DTSALPLS.rpt**
  - **DTSALPLS.rpt WILL CREATE A FILE THAT WILL AUTOMATICALLY ADD ONE TO THE YEARS ON SALARY HISTORY SCREEN 34**



**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

## RECODING BOY2008 EMPLOYEE SCREENS

### SCREEN 34 BEFORE ADJUSTMENT

34	***	SALARY/CONTRIBUTION HISTORY		Plan Number	BOY2008
Employee Name.		OWNER_____		Employee Number	000000001
Salary Mode (A,M)..... _					
Year	Salary	Year	Salary	Year	Salary
_1	_9580.48	_2	_8728.86	_3	_4055.44
_4	_3776.75	_5	_9218.71	_6	_2847.52
_7	_10380.92	—	_____	—	_____
—	_____	—	_____	—	_____



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# RECODING BOY2008 EMPLOYEE SCREENS

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## MAIN MENU

Cycle

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Add/Change Plan            | 8. Copy Plan                     |
| 2. Select Calculations        | 9. Temporary Exit to DOS         |
| 3. Select Reports             | A. New Configuration             |
| 4. Begin Calculating/Printing | B. Utilities                     |
| 5. Delete Plan                | C. Plan Comparison               |
| 6. Clear Calc/Print schedule  | D. DATAIR Training & Products    |
| 7. Plan Directory             | <b>E. Export Data</b>            |
|                               | I. Import Data                   |
|                               | P. Preview Output or View a File |
|                               | T. 1099-R Transmitter Data       |
|                               | X. Exit                          |

**Enter cycle E** \_ \_ \_


Plan Number BOY2008\_

F1=help Ctrl-F1=keyboard help Alt-F1=release notes.

Enter the cycle code(s) desired. Only cycle 4 will cause calculations to be done or reports to be printed. You can use cycles 2 and 3 to select several plans at a time. S gives system and license information.

CHARACTER Length= 1

0000T Overtime



## RECODING BOY2008 EMPLOYEE SCREENS

\*\*\* EXPORT DATA \*\*\*

Plan Number to Export... BOY2008\_

Export Format Code (0-2) 1

Export to File Name.... BOY2008.TXT  
Report Format..... DTSALPLS

Print Log (Y,N)..... Y  
Output File for Log.... PREVIEW.DPV

CHARACTER Length= 1 Overtime



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# RECODING BOY2008 EMPLOYEE SCREENS

-- PENSION SYSTEM -- Vers=3.41b  
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## MAIN MENU

Cycle

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Add/Change Plan            | 8. Copy Plan                     |
| 2. Select Calculations        | 9. Temporary Exit to DOS         |
| 3. Select Reports             | A. New Configuration             |
| 4. Begin Calculating/Printing | B. Utilities                     |
| 5. Delete Plan                | C. Plan Comparison               |
| 6. Clear Calc/Print schedule  | D. DATAIR Training & Products    |
| 7. Plan Directory             | E. Export Data                   |
|                               | I. Import Data                   |
|                               | P. Preview Output or View a File |
|                               | T. 1099-R Transmitter Data       |
|                               | X. Exit                          |

Enter Cycle I \_ \_ \_

Plan Number BOY2008\_

F1=help Ctrl-F1=keyboard help Alt-F1=release notes.

Enter the cycle code(s) desired. Only cycle 4 will cause calculations to be done or reports to be printed. You can use cycles 2 and 3 to select several plans at a time. S gives system and license information.

CHARACTER Length= 1

0000T Overtyp



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## Prospective to Retrospective Val

\*\*\* EXPORT DATA \*\*\*

Plan Number to Export... BOY2008\_

Export Format Code (0-2) 1

Export to File Name.... BOY2008.TXT


Report Format..... DTSALPLS

Print Log (Y,N)..... Y

Output File for Log.... PREVIEW.DPV

CHARACTER Length= 1

Overtime



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## RECODING BOY2008 EMPLOYEE SCREENS

```
*** IMPORT DATA ***
Plan Number in This System..... BOY2008_
Where Is the Data to Import (0-2,4,5) 1
--- Import File Name BOY2008.TXT
    Data Import Specification File... _____

--- Import Options
    Make Changes in Master File (Y,N).. _
    Add New Employees (Y,N)..... _
    Print Transaction Log (Y,N,1)..... _
    Replace, Not Add to Values (Y,N)... _
    Replace Existing Date of Hire (Y,N) _
    Output File for Log..... PREVIEW.DPV_____

Enter a file name containing data to import.

CHARACTER   Length= 50                                Overtime
```



**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

## RECODING BOY2008 EMPLOYEE SCREENS

### SCREEN 34 AFTER ADJUSTMENT REMOVE 08 YEAR AND SALARY

34	*** SALARY/CONTRIBUTION HISTORY	Plan Number	BOY2008
Employee Name. OWNER_____		Employee Number	000000001
Salary Mode (A,M)..... _			
Year	Salary	Year	Salary
02	_9580.48	03	_8728.86
05	_3776.75	06	_9218.71
08	_10380.92	07	_2847.52



**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

## **BEGINNING OF YEAR VALUATION**

**PLAN **BOY2008** IS NOW A TRUE  
BEGINNING OF YEAR RETROSPECTIVE  
SALARY VALUATION THAT CAN BE  
USED TO PRODUCE A 2008 AFTAP**



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

**CONVERTING A  
BOY PROSPECTIVE VALUATION  
TO  
BOY RETROSPECTIVE**



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## Prospective to Retrospective Val

### EMPLOYER LEVEL CHANGES

- Update 2007 file to 2008
- **DO NOT CLEAR COMPENSATION DURING UPDATE**
- Screen 15 – change  
Prospective/Retrospective Salary (P,R) = R



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## Prospective to Retrospective Val

### EMPLOYEE LEVEL CHANGES

- **Compensation on Screen 30 should be the same as the 2007 valuation compensation**
  - **1/1/2007 BOY Pro val compensation is actually 12/31/07 compensation**
  - **1/1/2008 BOY Retro val uses 12/31/07 comp**



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EMPLOYEE BENEFIT SYSTEMS, INC.

## Prospective to Retrospective Val

### SCREEN 32

- **BLANK OUT**
  - For Vesting
  - For Accrued Benefit
  - Total Years of Expected Participation/Service For Accrued Benefit
  - Accrued Top Heavy Years
  
- **REMEMBER TO USE THE KEYBOARD MACRO**



**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

## Prospective to Retrospective Val

```

32      *** SERVICE, DB OVERRIDES, ETC.                               Plan Number BOY2008
Employee Name. OWNER_____ Employee Number 000000001
Prior Year Past Service _8 For Vesting _7 For Accrued Benefit. █
  For 410(b) _ 415 Participation Ovr. _____
Total Years of Expected Participation/Service For Accrued Benefit.....
Years of Svc/Part Prior to Fresh Start.....
Current Valuation's Accrued Benefit Fraction of Year Override.....
Acc Ben Mnths of Svc/Part-Curr _ Past _ Total _
TEFRA Minimum Acc Ben at Beg Yr.. At End Yr...
Accrued Top Heavy Years..... _4 Entry Age..... 53
Normal Cost.....
404 Normal Cost.....
Prior Year Normal Cost..... 100029.00
Prior Year 417(e) PVAB..... 469691.00
Benefit Offset Amount..... 415 Offset Amt _____
Current Liability.....
Total Distributions This Year.....
Prior Yr In-Svc Dist -1 _ -2 _ -3 _ -4 _

Service at the end of last year. If enough hours this year, one year will be
added to service

NUMERIC (XX.XX) Zero is override, Blank is clear I-74 Overtime

```

**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

## Prospective to Retrospective Val

### KEYBOARD MACRO

You can teach the Pension System a series of key strokes and then execute them by pressing the Alt-0 (or F3) key. Press the Ctrl-S (or F2) key to start learning (it will beep once), press any series of keys, then press Ctrl-Q (or F2 again) to stop learning (it will beep twice). Now, whenever you press the Alt-0 (or F3) key, that series of key strokes will be entered for you. When you exit from the Pension System your keyboard macro will be forgotten.

For example, you need to change the normal retirement age, but everyone in the plan already has a date of retirement on screen 30 which must be recalculated. You must clear out the old date of retirement. To do this, you could enter employee number 999999999, screen 30 and press PgDn. On the first employee, you could define a keyboard macro by pressing Ctrl-S while the cursor is at the top of the screen, then pressing the Tab key until the cursor is at the date of retirement field, then press the Ctrl-X key to clear the field, then press the PgDn key to go to the next employee, and finally press Ctrl-Q to stop learning the keyboard macro. Now, on every employee that you wish to clear the date of retirement, just press the Alt-0 key, otherwise press PgDn.

**CAUTION:** A keyboard macro is just a series of key strokes, if you press Alt-0 at the wrong place, the series of keystrokes will be executed and something unexpected may happen.



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## Prospective to Retrospective Val

### SCREEN 34

- **07 Compensation must be deleted**
  - 07 compensation is the same as Screen 30 compensation
  - Use Keyboard Macro
  - No easy way to delete salary
  - Will have to make multiple passes if census is large
  - **PERFORM CALCULATIONS**



**DATAIR**  
EMPLOYEE BENEFIT SYSTEMS, INC.

## Prospective to Retrospective Val

### SCREEN 34

- **SALARY HISTORY YEARS MUST HAVE 1 ADDED TO THEM IF A CALENDAR YEAR PLAN**
- **IF THE PLAN IS OFF CALENDAR, NO ADJUSTMENT IS REQUIRED**
- **USE DTSALPLS.rpt**
  - **DTSALPLS.rpt WILL CREATE A FILE THAT WILL AUTOMATICALLY ADD ONE TO THE YEARS ON SALARY HISTORY SCREEN 34**



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## Prospective to Retrospective Val

30	****	EMPLOYEE CENSUS INFORMATION	Plan Number	BOY2008
Employee Name.		OWNER_____	Employee Number	000000001
Sex (M,F).....		M	Date of Employment.	060100
Date of Birth.....		031847	Compensation.	208000.00
Comp. Mode(A,S,Q,M,2,B,W,H,Y).....		A		
415(c) Compensation				





# Prospective to Retrospective Val

```
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```

MAIN MENU

- Cycle
- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Add/Change Plan            | 8. Copy Plan                     |
| 2. Select Calculations        | 9. Temporary Exit to DOS         |
| 3. Select Reports             | A. New Configuration             |
| 4. Begin Calculating/Printing | B. Utilities                     |
| 5. Delete Plan                | C. Plan Comparison               |
| 6. Clear Calc/Print Schedule  | D. DATAIR Training & Products    |
| 7. Plan Directory             | <b>E. Export Data</b>            |
|                               | I. Import Data                   |
|                               | P. Preview Output or View a File |
|                               | T. 1099-R Transmitter Data       |
|                               | X. Exit                          |

Enter Cycle E \_ \_ \_

Plan Number BOY2008\_

F1=help Ctrl-F1=keyboard help Alt-F1=release notes.

Enter the cycle code(s) desired. Only cycle 4 will cause calculations to be done or reports to be printed. You can use cycles 2 and 3 to select several plans at a time. S gives system and license information.

CHARACTER Length= 1 0000T Overtime



**DATAIR**  
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## Prospective to Retrospective Val

\*\*\* EXPORT DATA \*\*\*

Plan Number to Export... BOY2008\_

Export Format Code (0-2) 1

Export to File Name.... BOY2008.TXT

Report Format..... DTSALPLS

Print Log (Y,N)..... Y

Output File for Log.... PREVIEW.DPV

CHARACTER Length= 1

Overtime



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## Prospective to Retrospective Val

```
-- PENSION SYSTEM --          Vers=3.41b  
(C) Copyright DATAIR Employee Benefit Systems Inc. 1983-2008
```

### MAIN MENU

#### Cycle

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Add/Change Plan            | 8. Copy Plan                     |
| 2. Select Calculations        | 9. Temporary Exit to DOS         |
| 3. Select Reports             | A. New Configuration             |
| 4. Begin Calculating/Printing | B. Utilities                     |
| 5. Delete Plan                | C. Plan Comparison               |
| 6. Clear Calc/Print Schedule  | D. DATAIR Training & Products    |
| 7. Plan Directory             | E. Export Data                   |
|                               | I. Import Data                   |
|                               | P. Preview Output or View a File |
|                               | T. 1099-R Transmitter Data       |
|                               | X. Exit                          |

Enter cycle I \_ \_ \_

Plan Number BOY2008\_

F1=help Ctrl-F1=keyboard help Alt-F1=release notes.

Enter the cycle code(s) desired. Only cycle 4 will cause calculations to be done or reports to be printed. You can use cycles 2 and 3 to select several plans at a time. S gives system and license information.

CHARACTER Length= 1 0000T Overtime



# Prospective to Retrospective Val

```
*** IMPORT DATA ***
Plan Number in This System..... BOY2008_
Where Is the Data to Import (0-2,4,5) 1
--- Import File Name BOY2008.TXT
    Data Import Specification File... _____

--- Import Options
    Make Changes in Master File (Y,N).. _
    Add New Employees (Y,N)..... _
    Print Transaction Log (Y,N,1)..... _
    Replace, Not Add to Values (Y,N)... _
    Replace Existing Date of Hire (Y,N) _
    Output File for Log..... PREVIEW.DPV_____

Enter a file name containing data to import.

CHARACTER Length= 50 Overtime
```





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## Prospective to Retrospective Val

**THE PLAN IS NOW A TRUE BEGINNING OF  
YEAR RETROSPECTIVE VALUATION**




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## **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**



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## DB DOS REPORTS FOR PPA '06 2008 Valuations

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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.

<b>INTEREST RATES</b>	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)(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) (unisex).

or  
Actuarial Equivalence

417(c)

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

<b>INTEREST RATES</b>	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) (unisex).



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## 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

	----- C U R R E N T -----							----- P R O J E C T E D -----			
	CURRENT MONTHLY SALARY	BOY ACCRUED BENEFIT MONTHLY SALARY	EOY ACCRUED BENEFIT MONTHLY SALARY	MONTHLY BENEFIT	ACCRUED BENEFIT	VEST PCT	VESTED ACCRUED BENEFIT	PRESENT VALUE OF VESTED ACCRUED BENEFIT	DEATH BENEFIT	AVERAGE MONTHLY SALARY	MONTHLY BENEFIT
1 5 Yrs from NRD	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
2 11 Yrs from NRD	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
3 21 Yrs from NRD	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
4 William	1,779.29	1,667.61	1,767.67	889.65	500.28	100	500.28	69,919	69,919	1,833	917



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EMPLOYEE BENEFIT SYSTEMS, INC.

## DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA062

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 08/01/1991	0.00	0	0.00	0.00
8 J.D.	4,625.10	528,615	1,541.70	176,205.00
9 Paul -- Retired	0.00	0	0.00	0.00
<b>TOTALS:</b>		<b>\$2,134,451</b>		<b>\$772,527.00</b>

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



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## 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



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## DB DOS REPORTS FOR PPA '06 2008 Valuations

PPA082

VALUATION RESULTS

08-01-2008

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

Rate segment 1  
5.7

Rate segment 2  
5.89

Rate segment 3  
6.4

Effective Interest Rate: 5.96




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## **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



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## DB DOS REPORTS

### FOR PPA '06 2008 Valuations

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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**  
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## 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


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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


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EMPLOYEE BENEFIT SYSTEMS, INC.

## 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.


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EMPLOYEE BENEFIT SYSTEMS, INC.

## 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



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EMPLOYEE BENEFIT SYSTEMS, INC.

**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	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	<b>2,247,884</b>

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


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EMPLOYEE BENEFIT SYSTEMS, INC.

**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



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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



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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.



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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



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EMPLOYEE BENEFIT SYSTEMS, INC.

## 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	Shortfall base (SB)	1,546,916
Vested funding target (VFT)	1,584,717		

TYPE OF FTAP					PERCENTAGE APPLICATION	
1. FTAP exempt				AVA / FT 649,999 / 2,134,451 = 30.45%	=> 92% 2008 No Benefit restrictions	
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 Purchase) /	FT	< 60% Accruals restricted Lump Sum fully restricted
	C	AVA -	COB -	0 +	0) / 2,134,451 = 27.53%	
						< 80% Benefit increases restricted Lump Sum partially restricted



**DATAIR**

EMPLOYEE BENEFIT SYSTEMS, INC.

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



**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



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## 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





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## 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 item38)		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



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EMPLOYEE BENEFIT SYSTEMS, INC.

## DB DOS REPORTS FOR PPA '06 2008 Valuations

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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)	(b) Amt by employer	(c) Amt by employee
01/01/2008	0	0	01/01/2008	0	0
			Total	0	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	0
b Waiver	0	0
34 Total funding requirement (31+32a-32b)		0
	Carryover balance	Prefunding balance
35 Balance to offset funding requirement	462,464	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.

## **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



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## PPA '06 2008 Valuations Topics of Interest

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



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## PPA '06 2008 Valuations Topics of Interest

- 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
  - Consider changing to BOY, Retrospective



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## PPA '06 2008 Valuations Topics of Interest

- 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



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## PPA '06 2008 Valuations Topics of Interest


- 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



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## PPA '06 2008 Valuations Topics of Interest

- 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



**SCHEDULE SB**

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Line by Line Review



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## Line-by-Line Notes on Schedule SB

- Line F. Prior Year Plan Size – highest number of participants (both active and inactive) on any day of the preceding plan year, taking into account participants in all defined benefit plans maintained by the same employer.



## Line-by-Line Notes on Schedule SB

- **Notes.** (1) For split-funded plans, the costs and contributions reported on Schedule SB should include those related to both trust funds and insurance carriers. (2) For terminating plans, Rev. Rul. 79-237, 1979-2 C.B. 190, provides that minimum funding standards apply until the end of the plan year that includes the termination date. Accordingly, the Schedule SB is not required to be filed for any later plan year. However, if a termination fails to occur because assets remain in the plan's related trust (see Rev. Rul. 89-87, 1989-2 C.B. 81) or for any other reason (e.g., the PBGC issues a notice of noncompliance pursuant to 29 CFR section 4041.31 for a standard termination)—there is no termination date, and therefore, minimum funding standards continue to apply and a Schedule SB continues to be required.



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## **Schedule SB – Statement by Enrolled Actuary**

- A stamped or machine produced signature is not acceptable. The most recent enrollment number must be entered.



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## Line 1. Valuation Date

- The valuation date for a plan year must be the first day of the plan year unless the plan meets the small-plan exception of ERISA section 303(g)(2)(B) and Code section 430(g)(2)(B). For plans that qualify for the exception, the valuation date may be any date in the plan year, including the first or last day of the plan year.



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## Line 2a. Market Value of Assets

- Enter the fair market value of assets as of the valuation date. Include contributions designated for the previous plan year (receivables) that are made after the valuation date (but within the 8 ½-month period after the end of the prior plan year).



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## Line 2a. Market Value of Assets

- Contributions made for the current plan year must be excluded from the amount reported in line 2a. If these contributions were made prior to the valuation date (which can only occur for small plans with a valuation date other than the first day of the plan year), **the asset value must be adjusted to exclude not only the contribution amounts, but interest on the contributions from the date of payment to the valuation date, using the current-year effective interest rate.**



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## Line 2a. Market Value of Assets

- Do not adjust for items such as the funding standard carryover balance or prefunding balance or the present value of remaining shortfall or waiver amortization installments. Rollover amounts or other assets held in individual accounts that are not available to provide defined benefits under the plan should not be included on line 2a regardless of whether they are reported on the Schedule H (Form 5500) (line 1l, column (a)) or Schedule I (Form 5500) (line 1c, column (a)). If the value of any insurance contracts has been excluded from the amount reported in line 2a, liabilities satisfied by such contracts should also be excluded from the funding target values reported in lines 2 and 4.



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## Line 2b. Actuarial Value of Assets

- Enter the value as of the valuation date taking into account the requirement that such value must be within 90% to 110% of the fair market value of assets.
- **Do not adjust** the actuarial value of assets for items such as the **funding standard carryover balance or the present value of any remaining shortfall or waiver amortization installments**. Treat contributions designated for a current or prior plan year, rollover amounts, insurance contracts, and other items in the same manner as for line 2a.

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## Line 3. Funding Target/Participant Count Breakdown

- Column (1)—Enter the number of participants, including beneficiaries of deceased participants, who are or who will be entitled to benefits under the plan.
- Column (2)—Enter the funding target calculated using the methods and assumptions provided in ERISA sections 303(h) and (i), Code sections 430(h) and (i), and other related guidance. When allocating the funding target for active participants (lines 3c(2) and 3c(1) respectively, benefits considered vested for PBGC premium purposes must be included in line 3c(2).



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## Line 6. Target Normal Cost

- Report the present value of all benefits which have been accrued or have been earned (or that are expected to accrue or to be earned) under the plan during the plan year. Include any increase in benefits during the plan year that is a result of any actual or projected increase in compensation during the current plan year, even if that increase in benefits is with respect to benefits attributable to services performed in a preceding plan year.



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## Line 9. Amount Remaining

- Carryover balance (line 9, column (a))—  
Enter the amount reported in line 9o on the  
2007 Schedule B.

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## Line 12. Reduction in Balances Due to Elections or Deemed Elections

- Carryover balance (line 12, column (a))— Enter the amount by which the **employer elects to reduce (or is deemed to elect to reduce)**, per ERISA section 206(g)(5)(C) and Code section 436(f)(3)) the funding standard carryover balance under ERISA section 303(f) and Code section 430(f). This amount cannot be greater than the amount reported in line 9, column (a).



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## Funding Percentages

- Enter all percentages in this section to the nearest .01% (e.g., 82.64%).
- **Problem field does not allow for a percentage greater than 100%.**



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## Line 14. Funding Target Attainment Percentage

- The FTAP is the ratio (expressed as a percentage) which the actuarial value of plan assets (reduced by the funding standard carryover balance and prefunding balance) bears to the funding target determined without regard to the additional rules for plans in at-risk status.

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## Line 15. Adjusted Funding Target Attainment Percentage

- Enter the adjusted funding target attainment percentage, except that both the assets and the funding target used to calculate the AFTAP are increased by the aggregate amount of purchases of annuities for employees other than highly compensated employees (as defined in Code section 414(q) which were made by the plan during the preceding two plan years.

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**Line 16. Prior Year's Funding Percentage for Purposes of Determining Whether Carryover/Prefunding Balances May Be Used To Offset Current Year's Funding Requirement**

- Under ERISA section 303(f)(3) and Code section 430(f)(3), **the funding standard carryover balance and prefunding balance may not be applied toward minimum contribution requirements unless** the ratio of plan assets for the preceding plan year to the funding target for the preceding plan year (as described in ERISA section 303(f)(3)(C) and Code section 430(f)(3)(C)) is **80% or more**.

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### Line 16. Prior Year's Funding Percentage for Purposes of Determining Whether Carryover/Prefunding Balances May Be Used To Offset Current Year's Funding Requirement

- Treasury regulations provides that the ratio may be determined as the **ratio of the actuarial value of assets to the current liability from line 1d(2)(a) of the 2007 Schedule B**. The actuarial value of assets is the amount reported on line **1b(2) of the 2007 Schedule B**, adjusted if necessary to be no less than 90% and no more than 110% of the fair market value of assets reported on line 1b(1) of the 2007 Schedule B. **Do not reduce this amount by the credit balance or increase it by a funding deficiency.**



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## Line 17. Ratio of Current Value of Assets to Funding Target if Below 70%

- If line 2b divided by the funding target reported in line 3d, column (2), is less than 70%, enter such percentage. Otherwise, leave this line blank.



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## Line 18. Contributions Made to the Plan

- Include employer contributions made within 8½ months after the end of the plan year to the extent such contributions are designated for this plan year (receivables). Include amounts that will be allocated toward an unpaid minimum required contribution for a prior year.
- Show only contributions **actually made to the plan by the date Schedule SB is signed**. Do not adjust contributions to reflect interest.
- Add the amounts in both columns 18(b) and 18(c) separately and enter each result in the corresponding column on the total line. **All contributions except those made to avoid benefit restrictions under ERISA section 206(g) and Code section 436 must be credited toward minimum funding requirements for a particular plan year.**



## Line 19. Discounted Employer Contributions

- Adjust each contribution using the effective interest rate for the plan year to which the contribution is allocated.
- Attach a schedule showing the dates and amounts of individual contributions, the year to which the contributions (or the portion of individual contributions) are applied, the applicable effective interest rate (including increased rate for late quarterly installments, where applicable), and the interest-adjusted contribution. It is not necessary to include interest-adjusted contributions allocated toward the minimum required contribution for the current year (reported in line 19c) in this schedule, unless any of those contributions represent late quarterly installments. However, if any of the contributions reported in line 19c represent late quarterly installments, include all contributions reported in line 19c on this schedule. Label the attachment "Schedule SB, line 10 – Discounted Employer Contributions."



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## Line 19. Discounted Employer Contributions

- ***Special note for small plans with valuation dates after the beginning of the plan year.*** If the valuation date is after the beginning of the plan year and contributions for the current year were made during the plan year but before the valuation date, such contributions are increased with interest to the valuation date using the effective interest rate for the current plan year. **These contributions and the interest calculated as described in the preceding sentence are excluded from the value of assets reported in lines 2a and 2b.**



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## Line 19. Discounted Employer Contributions

- ***Interest adjustment for contributions representing late required quarterly installments—installments due after the valuation date.*** If the full amount of a required installment due after the 2008 valuation date is not paid by the due date for that installment, **increase the effective interest rate used to discount the contribution by 5 percentage points for the period between the due date for the required installment and the date on which the payment is made.**



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## Line 19a. Contributions Allocated Toward Unpaid Minimum Required Contribution from Prior Plan Years.

(Otherwise known as funding deficiency)

- Code section 4971(c)(4)(B) provides that any payment to or under a plan for any plan year shall be **allocated first to unpaid minimum required contributions for all preceding plan years on a first-in, first-out basis and then to the minimum required contribution for the current plan year.** Report any contributions from line 18 that are allocated toward unpaid minimum required contributions from prior plan years, discounted for interest **from the date the contribution was made to the valuation date for the plan year for which the contribution was originally required** as described above. Increase the effective interest rate for the applicable plan year by 5 percentage points for any portion of the unpaid minimum, for the period between the due date for the installment and the date of payment. The amount reported in line 19a cannot be larger than the amount reported in line 28.



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## Line 19b. Contributions Made to Avoid Benefit Restrictions

- Include in this category contributions made to avoid benefit restrictions under ERISA section 206(g) and Code section 436. Adjust each contribution for interest from the date the contribution was made to the valuation date as described above.



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### **Line 19c. Contributions Allocated Toward Minimum Required Contribution for Current Year**

- Include in this category contributions (including any contributions made in excess of the minimum required contribution) that are not included in line 19a and 19b. Adjust each contribution for interest from the date the contribution was made to the valuation date as described above.



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### Line 20b. Quarterly Contributions and Liquidity Shortfalls

- If line 20a is “No” (i.e., if the plan did not have a funding shortfall in the prior plan year), the plan is not subject to the quarterly contributions rules, and this line should not be completed. If line 20a is “Yes,” check the “Yes” box on line 20b if required installments for the current plan year were made in a timely manner; otherwise, check “No.”



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### Line 20c. Quarterly Contributions and Liquidity Shortfalls

- If line 20a is “No”, or the plan had 100 or fewer participants on every day of the preceding plan year (as defined for line F), the plan is not subject to the liquidity requirement of ERISA section 303(j)(4) and Code section 430(j)(4) and this line should not be completed.



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## Line 21a. Discount Rate

- Enter the three segment rates used to calculate the funding target as provided under ERISA section 303(h)(2)(C) and Code section 430(h)(2)(C) and as published by the IRS, **unless the plan sponsor has elected to use the full yield curve.** Enter rates after application of the **transition rule** provided under ERISA section 303(h)(2)(G) and Code section 430(h)(2)(G) **unless the sponsor has elected to not have the transition rule apply.**



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## Line 21b. Discount Rate

- ERISA section 303(h)(2)(E) and Code section 430(h)(2)(E) provide that the segment rate(s) used to measure the funding target are those published by Treasury **for the month that includes the valuation date** (based on the average of the monthly corporate bond yield curves for the 24-month period ending with the month preceding that month). **Alternatively, at the election of the plan sponsor, the segment rate(s) used to measure the funding target may be those published by Treasury for any of the four months that precede the month that includes the valuation date.**



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## Line 21b. Discount Rate

- **NOTE:** The plan sponsor's election as to which interest rates to use (segment rates with or without the transition rules in ERISA section 303(h)(2)(G) and Code section 430(h)(2)(G) versus the full yield curve, and the applicable month for determining these interest rates) generally **may not** be changed unless the plan sponsor obtains approval from the IRS.



## Line 25 – Change in Funding Method

- Method changes include modifications such as a change in the method for calculating the **actuarial value of assets or a change in the valuation date** (not an exclusive list). Any changes in a plan's funding methods that are made for the **first plan year** for which Code section 430 applies to the plan and that are not inconsistent with the requirements of Code section 430 **do not need IRS approval**.



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## Line 28 – Unpaid Minimum Required Contributions for Prior Years

- Enter the amount of any accumulated funding deficiency from line 9p of the 2007 Schedule B. The accumulated funding deficiency is treated as a single contribution due on the last day of the 2007 plan year (without separately identifying any portion of the accumulated funding deficiency attributable to late quarterly installments or late liquidity shortfall installments), and the associated effective interest rate is deemed to be the valuation interest rate for the 2007 plan year.

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### **Line 29 – Employer Contributions Allocated Toward Unpaid Minimum Required Contributions from Prior Years**

- Enter the total amount of discounted contributions made for the current plan year allocated toward unpaid minimum required contributions from prior years as reported in line 19a.



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## **Schedule SB**

### **Required attachments**

1. The type of base (shortfall or waiver),
2. The present value of any remaining installments (including the installment for the current plan year),
3. The valuation date as of which the base was established,
4. The number of years remaining in the amortization period, and
5. The amortization installment.



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## Line 35. Carryover Balance Used to Offset Funding Requirement

- If the percentage reported in line 16 is **at least 80%**, and the plan has a funding standard carryover balance (as reported in line 13, column (a)), **the plan sponsor may elect to credit such balance against the minimum funding requirement.**
- The amounts entered in line 35 cannot be larger than the amount in line 13, column (a) (unless the plan's valuation date is not the first day of the plan year, as discussed below), or the amount in line 34.




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## Attachments to Schedule SB

### Blue Schedules applicable to small plans      Red Schedules applicable to larger plans

- **Schedule SB, Line 4**
  - Additional Information for Plans in At-Risk Status
- **Schedule SB, Line 9**
  - Explanation of 2007 Credit Balance Discrepancy
- **Schedule SB, Line 19**
  - Discounted Employer Contributions
- **Schedule SB, Line 20c**
  - Liquidity Requirement Certification
- **Schedule SB, Line 22**
  - Description of Weighted Average Retirement Age
- **Schedule SB, Line 23**
  - Information on Use of Substitute Mortality Tables
- **Schedule SB, Part V**
  - Statement of Actuarial Assumptions/Methods
  - Summary of Plan Provisions
- **Schedule SB, Line 24**
  - Change in Actuarial Assumptions
- **Schedule SB, Line 25**
  - Change in Method
- **Schedule SB, Line 26**
  - Schedule of Active Participant Data
- **Schedule SB, Line 27**
  - Actuarial Information Based on Pre-PPA Funding Rules
  - Balances Subject to Binding Agreement with PBGC
  - Alternative 17-Year Funding Schedule for Airlines
- **Schedule SB, Line 32**
  - Schedule of Amortization Bases



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**QUESTIONS?**