PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4044

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

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation’s regulation on Allocation of Assets in Single-Employer Plans prescribes interest assumptions for valuing benefits under terminating single-employer plans. This final rule amends the regulation to adopt interest assumptions for plans with valuation dates in September, 1999. Interest assumptions are also published on the PBGC’s web site (http://www.pbgc.gov).

EFFECTIVE DATE: September 1, 1999.

FOR FURTHER INFORMATION CONTACT: Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (For TTY/TDD users, call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)


Among the actuarial assumptions prescribed in part 4044 are interest assumptions. These interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Two sets of interest assumptions are prescribed, one set for the valuation of benefits to be paid as annuities and one set for the valuation of benefits to be paid as lump sums. This amendment adds to appendix B to part 4044 the annuity and lump sum interest assumptions for valuing benefits in plans with valuation dates during September 1999.

For annuity benefits, the interest assumptions will be 6.30 percent for the first 20 years following the valuation date and 5.25 percent thereafter. The annuity interest assumptions are unchanged from those in effect for August 1999. For benefits to be paid as lump sums, the interest assumptions to be used by the PBGC will be 5.00 percent for the period during which a benefit is in pay status, 4.25 percent during the seven-year period directly preceding the benefit’s placement in pay status, and 4.00 percent during any other years preceding the benefit’s placement in pay status. The lump sum interest assumptions are unchanged from those in effect for August 1999.

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

Because of the need to provide immediate guidance for the valuation of benefits in plans with valuation dates during September 1999, the PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a “significant regulatory action” under the criteria set forth in Executive Order 12866. Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 4044

Pension insurance, Pensions.

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

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

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

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

2. In appendix B, a new entry is added to Table I, and Rate Set 71 is added to Table II, as set forth below. The introductory text of each table is republished for the convenience of the reader and remains unchanged.
Appendix B to Part 4044—Interest Rates Used To Value Annuities and Lump Sums

TABLE I.—ANNUITY VALUATIONS

<table>
<thead>
<tr>
<th>For valuation dates occurring in the month—</th>
<th>The values of i, are:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>i_t for t = i,</td>
</tr>
<tr>
<td></td>
<td>for t = i,</td>
</tr>
<tr>
<td></td>
<td>i_t for t = i,</td>
</tr>
<tr>
<td></td>
<td>for t = i,</td>
</tr>
<tr>
<td>September 1999 ........................................</td>
<td>0.0630</td>
</tr>
<tr>
<td></td>
<td>1–20</td>
</tr>
<tr>
<td></td>
<td>0.0525</td>
</tr>
<tr>
<td></td>
<td>&gt;20 N/A</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

TABLE II.—LUMP SUM VALUATIONS

<table>
<thead>
<tr>
<th>Rate set</th>
<th>For plans with a valuation date</th>
<th>Immediate annuity rate (percent)</th>
<th>Deferred annuities (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On or after</td>
<td>Before</td>
<td>i_1</td>
</tr>
<tr>
<td>71</td>
<td>09–1–99</td>
<td>10–1–99</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4.00</td>
</tr>
</tbody>
</table>

Issued in Washington, DC, on this 6th day of August, 1999.

David M. Strauss,
Executive Director, Pension Benefit Guaranty Corporation.
[FR Doc. 99–20927 Filed 8–12–99; 8:45 am]
BILLING CODE 7708–01–P

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117
[CGD01–99–010]
RIN 2115–AE47

Drawbridge Operation Regulations: Shrewsbury River, NJ

AGENCY: Coast Guard, DOT.
ACTION: Final Rule.

SUMMARY: The Coast Guard is changing the drawbridge operation regulations governing the Route 36 Bridge, mile 1.8, across the Shrewsbury River at Highlands, New Jersey. This final rule requires the drawbridge need open only at a quarter before and a quarter after the hour, May 15 through October 15, 7 a.m. to 8 p.m. This change is necessary to help alleviate vehicular traffic congestion caused by frequent bridge openings. This final rule is expected to relieve traffic congestion, synchronize the opening times of the two moveable bridges on the waterway, and still meet the reasonable needs of navigation.
DATES: This final rule is effective September 13, 1999.

ADDRESSES: Documents as indicated in this preamble are available for inspection or copying at the First Coast Guard District Office, 408 Atlantic Avenue, Boston, Massachusetts 02110, 7 a.m. to 3 p.m., Monday through Friday, except Federal holidays. The telephone number is (617) 223–8364.

FOR FURTHER INFORMATION CONTACT: John W. McDonald, Project Officer, First Coast Guard District, (617) 223–8364.

SUPPLEMENTARY INFORMATION:

Regulatory History

On May 25, 1999, the Coast Guard published a notice of proposed rulemaking entitled Drawbridge Operation Regulations: Shrewsbury River, New Jersey, in the Federal Register (64 FR 28126). The Coast Guard received one letter commenting on the notice of proposed rulemaking. No public hearing was requested and none was held.

Background

The Route 36 Bridge, at mile 1.8, at Highlands, New Jersey, across the Shrewsbury River, has a vertical clearance of 35 feet at mean high water and 39 feet at mean low water.

The existing operating regulations for the Rt-36 Bridge, listed at 33 CFR 117.755(a), require the bridge to open on signal; except that, from Memorial Day through Labor Day on Saturdays, Sundays, and holidays, from 10 a.m. to 7 p.m., the draw need be opened only on the hour and half hour.

The bridge owner, the New Jersey Department of Transportation (NJDOT) asked the Coast Guard to change the operating regulations for the Route 36 Bridge to help alleviate vehicular traffic caused by bridge openings during the summer months. The Coast Guard published a notice of proposed rulemaking on May 25, 1999, which proposed that the Route 36 Bridge open on signal, except that, from May 15 through October 15, 7 a.m. to 8 p.m., the draw need open only on the hour and half hour.

The Coast Guard received one comment letter in response to the notice of proposed rulemaking suggesting that the Coast Guard synchronize the opening times for the Route 36 Bridge and the Monmouth County highway...