

**PENSION BENEFIT GUARANTY CORPORATION**

**29 CFR Parts 4022 and 4044**

**Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans prescribe interest assumptions for valuing and paying benefits under terminating single-employer plans. This final rule amends the regulations to adopt interest assumptions for plans with valuation dates in January 2008. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

**DATES:** Effective January 1, 2008.

**FOR FURTHER INFORMATION CONTACT:** Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** The PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Three sets of interest assumptions are prescribed: (1) A set for the valuation of benefits for allocation purposes under section 4044 (found in Appendix B to Part 4044), (2) a set for the PBGC to use to determine whether a benefit is

payable as a lump sum and to determine lump-sum amounts to be paid by the PBGC (found in Appendix B to Part 4022), and (3) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology (found in Appendix C to Part 4022).

This amendment (1) adds to Appendix B to Part 4044 the interest assumptions for valuing benefits for allocation purposes in plans with valuation dates during January 2008, (2) adds to Appendix B to Part 4022 the interest assumptions for the PBGC to use for its own lump-sum payments in plans with valuation dates during January 2008, and (3) adds to Appendix C to Part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology for valuation dates during January 2008.

For valuation of benefits for allocation purposes, the interest assumptions that the PBGC will use (set forth in Appendix B to part 4044) will be 5.42 percent for the first 20 years following the valuation date and 4.49 percent thereafter. These interest assumptions represent an increase (in comparison to those in effect for December 2008) of 0.05 percent for the first 20 years following the valuation date and a decrease of 0.55 percent for all years thereafter.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 3.00 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. These interest assumptions represent no change from those in effect for December 2007. For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by the PBGC for determining and paying lump sums (set forth in Appendix B to part 4022).

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 current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during January 2008, 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**

*29 CFR Part 4022*

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

*29 CFR Part 4044*

Employee benefit plans, Pension insurance, Pensions.

■ In consideration of the foregoing, 29 CFR parts 4022 and 4044 are amended as follows:

**PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS**

■ 1. The authority citation for part 4022 continues to read as follows:

**Authority:** 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 171, as set forth below, is added to the table.

**Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments**

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$N_2$
*	*	*	*	*	*	*	*	*
171	01-1-08	02-1-08	3.00	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 171, as set forth below, is added to the table.

**Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments**

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
* 171	* 01-1-08	* 02-1-08	* 3.00	* 4.00	* 4.00	* 4.00	* 7	* 8

**PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS**

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

**Appendix B to Part 4044—Interest Rates Used To Value Benefits**

\* \* \* \* \*

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

■ 5. In appendix B to part 4044, a new entry for January 2008, as set forth below, is added to the table.

For valuation dates occurring in the month—	The values of $i_t$ are:					
	$i_t$	for $t =$	$i_t$	for $t =$	$i_t$	for $t =$
* January 2008	* .0542	* 1-20	* .0449	* >20	* N/A	* N/A

Issued in Washington, DC, on this 10th day of December 2007.

Vincent K. Snowbarger,  
Deputy Director, Pension Benefit Guaranty Corporation.  
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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Parts 50 and 51**

[EPA-HQ-OAR-2005-0159; FRL-8506-6]

RIN 2060-AN40

**Exceptional Events Rule; Notice of Action Denying Petition for Reconsideration**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of Action Denying Petition for Reconsideration.

**SUMMARY:** The EPA is providing notice that it has responded to a petition for reconsideration of the Exceptional Events Rule (EER). On March 22, 2007, EPA finalized a rule in the **Federal Register** to govern the review and handling of air quality monitoring data

influenced by exceptional events. Section 319 of the Clean Air Act (CAA), as amended by section 6013 of the Safe Accountable Flexible Efficient-Transportation Equity Act: A Legacy for Users (SAFE-TEA-LU) of 2005 required the Administrator to publish a proposed rule in the **Federal Register** by March 1, 2006. Further, SAFE-TEA-LU required the EPA Administrator to publish a final rule within 1 year of the proposal. The final rule on the “Treatment of Data Influenced by Exceptional Events” became effective on May 21, 2007. Subsequent to the publication of this action, a petition for reconsideration from the Natural Resources Defense Council (NRDC) was received by EPA on May 21, 2007, signed by John D. Walke; Director, Clean Air Program; Natural Resources Defense Council; 1200 New York Avenue, NW., Suite 400, Washington, DC 20005-3928. The EPA considered the petition and supporting information along with information contained in the rulemaking docket (Docket number EPA-HQ-OAR-2005-0159-0163) in reaching a decision on the petitions. EPA Administrator Stephen L. Johnson denied the petition for reconsideration in a letter to the petitioner dated

November 5, 2007. The letter documents EPA’s reasons for the denial.

**FOR FURTHER INFORMATION CONTACT:** Padmini Singh, U.S. EPA, Office of General Counsel, Mail Code 2344A, 1200 Pennsylvania Avenue, NW., Washington, DC 20460, telephone (202) 564-5641, e-mail at [singh.padmini@epa.gov](mailto:singh.padmini@epa.gov).

**SUPPLEMENTARY INFORMATION:**

**I. How Can I Get Copies of This Document and Other Related Information?**

This **Federal Register** notice, the petition for reconsideration, and the letter denying the petition for reconsideration are available in the docket that EPA established for the Exceptional Events Rule (docket number EPA-HQ-OAR-2005-0159). The table below identifies the petition received by EPA, the date EPA received the petition, the document identification number for the petition, the date of EPA’s response, and the document identification number for EPA’s response. (Note that all the document numbers listed in the table are in the form of “EPA-HQ-OAR-XXXX-XXXX-xxxx.”)

Petitioner	Date of petition to EPA	Petition: Document No. in docket	Date of EPA response	EPA response: Document No. in docket
Natural Resources Defense Council .....	5/21/2007	0163	11/05/2007	0175