PENSION BENEFIT GUARANTY CORPORATION

29 CFR Parts 4022 and 4044


AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.


DATES: Effective October 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 4022) and (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 October 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 October 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 October 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 6.18 percent for the first 20 years following the valuation date and 5.25 percent thereafter. These interest assumptions represent a decrease (from those in effect for September 2008) of 0.06 percent for the first 20 years following the valuation date and 0.06 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 3.25 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 a decrease (from those in effect for September 2008) of 0.25 percent in the immediate annuity rate and are otherwise unchanged. 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 October 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.

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
180, as set forth below, is added to the
table.

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

<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 Before</td>
<td>(i_1) (i_2) (i_3) (n_1) (n_2)</td>
<td></td>
</tr>
<tr>
<td>180</td>
<td>10–1–08 11–1–08</td>
<td>3.25 4.00 4.00 7 8</td>
<td></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Rate set</th>
<th>For plans with a valuation date</th>
<th>Immediate annuity rate (percent)</th>
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<td>10–1–08 11–1–08</td>
<td>3.25 4.00 4.00 7 8</td>
<td></td>
</tr>
</tbody>
</table>

PART 4044—ALLOCATION OF
ASSETS IN SINGLE–EMPLOYER
PLANS

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

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

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

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

For valuation dates occurring in the month—

\[i_t\] for \(t = 1–20\]
\[i_t\] for \(t = 21–30\]
\[i_t\] for \(t = 31–365\]

Issued in Washington, DC, on this 8th day
of September 2008.

Vincent K. Snowbarger,
Deputy Director for Operations, Pension
Benefit Guaranty Corporation.
[FR Doc. E8–21415 Filed 9–12–08; 8:45 am]
BILLING CODE 7709–01–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration
30 CFR Part 49

RIN 1219–AB56

Mine Rescue Team Equipment

AGENCY: Mine Safety and Health Administration (MSHA), Labor.

ACTION: Final rule.

SUMMARY: The final rule amends
MSHA’s existing standards addressing
mine rescue team equipment at mine
rescue stations serving underground
coal and metal and nonmetal mines. It
updates the existing standards to reflect
advances in mine rescue team
equipment technology to increase safety
and improve the effectiveness of mine
rescue teams.

DATES: This final rule is effective on
November 14, 2008.