Comment from Tom Schryer of Findley Davies

Regarding proposed mortality tables –

1) The 1994 Group Annuity Mortality (Basic) Table is not widely available. It is not shown on the Society of Actuaries’ web pages with mortality rates and my copy of the public notice accompanying the 1994 Group Annuity Mortality did not include the basic rates. Also, the “Basic” concept is probably lost on many practitioners so you should probably directly state that the regular mortality rates before projection are essentially those from the 1994 Group Annuity Mortality Static Table divided by .93 (but differing after age 101). The exact Qs you will be using should also be published so they can be commented on.

2) Regarding Disabled Mortality Rates (for those receiving SSDI) the PBGC needs to describe the sources and characteristics of the proposed table. I understand that the PBGC proposes to simply use the rates from Revenue Ruling 96-7 and those rates are at least similar to Railroad Rates over the last 40 years. However, such rates differ significantly from the RP-2000 Rates for Disableds (although that table reflected disabled people whether they were receiving SSDI or not), mortality rates used by Aetna (admittedly their usage of lower mortality rates might be self-serving), and rates used by TPF&C (a major actuarial firm). You really should clarify how usage of a table that is so different from some others is appropriate. Simple reliance on Revenue Ruling 96-7 does not seem compelling enough to me - especially since the rationale for 96-7 was never made public, to my knowledge. I asked for a rationale at an Enrolled Actuaries Meeting (in a big General Session) and did not get a good answer. It might be as simple as stating that 96-7 applies only to people who have qualified for SSDI benefits (so it only applies to people who are seriously disabled); that fact might account for the differences from RP-2000 and some other popular disabled mortality tables.