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| **From:** | rhudson@factuarial.com |
| **To:** | RegComments |
| **Subject:** | Comment re: Special Financial Assistance |
| **Date:** | Friday, July 9, 2021 1:01:16 PM |

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I commend much of what you have done regarding the work to put out the interim final rules. I know many actuaries were stretching the interpretation of the amount needed and should ignore current assets and expected contributions. Of course this would result in plans that did not address their problems timely coming out with a windfall and plans that did address their issues timely and took aggressive corrective action ending up with much lower benefits.

That said, I do have one question that does not seem to be properly addressed. If we consider the bond market interest rate to be about 3.5% then we discount our future expected benefit payments using this rate plus 200 bps (i.e. 5.50%). However, the money we receive can only be invested at 3.5% so we will not have sufficient money to make all our payments through the end of 2051. I have run some modelling and it seems like this difference in assumptions will lead to plans running out of money around 2045.

Have you modelled this and made a determination that plan's can actually survive to 2051 with this difference in assumptions for discount and investment return. If so, I would like to see how your model treats this issue.

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