

2003

Data for Question 27 (3 points)

Effective date: 1/1/1999.

Normal retirement benefit:

Before 2003	\$42 per month for each year of service
After 2002	\$47 per month for each year of service before 2003 plus \$50 per month for each year of service after 2002

Actuarial cost method: Unit credit.

Valuation interest rate: 7% per year.

There have been no gains or losses.

Credit balance in funding standard account as of 12/31/2002: \$0.

Data for sole participant:

Date of birth	1/1/1952
Date of hire	1/1/1975

Selected annuity values: $\ddot{a}_{65}^{(12)} = 10.00$.

Question 27

In what range is the increase in the minimum contribution for 2003 payable 1/1/2003 due to the plan amendment?

- (A) Less than \$750
- (B) \$750 but less than \$900
- (C) \$900 but less than \$1,050
- (D) \$1,050 but less than \$1,200
- (E) \$1,200 or more

2003

Data for Question 34 (3 points)

Actuarial cost method: Unit credit.

Normal retirement benefit: \$100 per month per year of service.

Pre-retirement death benefit: None.

Valuation assumptions:

	<u>Current</u>	<u>Proposed</u>
Valuation interest rate	7% per year	8% per year
Mortality table	UP84	GAM83

For all values of x in the respective mortality tables, $q_x^{\text{UP84}} > q_x^{\text{GAM83}}$.

Participant data for sole participant at 1/1/2003:

Age	40
Service	10

Consider the following statements:

- I. The proposed change in the interest rate alone would decrease the normal cost.
- II. The proposed change in the mortality table alone would increase the actuarial accrued liability.
- III. The proposed change in the mortality table and interest rate would either decrease both the actuarial accrued liability and normal cost or increase both the actuarial accrued liability and normal cost.

Question 34

Which, if any, of the above statement(s) is (are) true?

- (A) I and II
- (B) I and III
- (C) II and III
- (D) I, II, and III
- (E) The correct answer is not given by (A), (B), (C), or (D) above