

## 2003

### Data for Question 12 (5 points)

Actuarial cost method: Aggregate.

Normal retirement benefit: 50% of final three-year average compensation.

Selected actuarial assumptions:

Valuation interest rate	7% per year
Retirement age	52
Salary increases:	
Before 2003	3.5% per year
After 2002	3.5% for all years except final year of employment, at which time a 40% salary increase is assumed

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

Actuarial (market) value of assets as of 1/1/2003: \$3,400,000.

Selected valuation data as of 1/1/2003:

2003 valuation compensation per participant	\$50,000
Number of active participants	17
Age of each active participant	45
The plan has no inactive participants	

Selected annuity value:

$$\ddot{a}_{52}^{(12)} = 11.8$$

### Question 12

In what range is the change in the normal cost for 2003 as of 1/1/2003, due to the assumption change?

- (A) Less than \$62,000
- (B) \$62,000 but less than \$66,000
- (C) \$66,000 but less than \$70,000
- (D) \$70,000 but less than \$74,000
- (E) \$74,000 or more

2003

Data for Question 29 (4 points)

Normal retirement benefit: \$20 per month times years of service.

Early retirement eligibility: 62.

Early retirement benefit: Unreduced accrued benefit.

Actuarial cost method: Aggregate.

Selected actuarial assumptions:

Valuation interest rate	7% per year
Retirement age	
Before 2003	65
After 2002	64

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

Actuarial (market) value of assets as of 1/1/2003: \$10,000.

Data for sole participant:

Date of birth	1/1/1948
Date of hire	1/1/1978

Selected annuity values:

$$\ddot{a}_{64}^{(12)} = 8.35 \qquad \ddot{a}_{65}^{(12)} = 8.14$$

Question 29

In what range is the increase in the normal cost for 2003 as of 1/1/2003 due to the change in the assumed retirement age?

- (A) Less than \$400
- (B) \$400 but less than \$500
- (C) \$500 but less than \$600
- (D) \$600 but less than \$700
- (E) \$700 or more

2004

Data for Question 14 (4 points)

Actuarial cost method: Aggregate.

Normal retirement benefit: 50% of final compensation, reduced pro rata for years of service less than 20.

Selected actuarial assumptions:

Valuation interest rate	7% per year
Compensation increases	0% per year

Credit balance in funding standard account as of 12/31/2003: \$5,000.

Actuarial (market) value of assets as of 1/1/2004: \$50,000.

Data for all plan participants as of 1/1/2004:

	<u>Smith</u>	<u>Jones</u>
Compensation for 2003	\$25,000	\$150,000
Age	25	51
Years of service	2	5

Selected annuity value:

$$\ddot{a}_{65}^{(12)} = 10.00$$

Question 14

In what range is the normal cost for IRC section 412 as of 12/31/2004?

- (A) Less than \$21,000
- (B) \$21,000 but less than \$23,000
- (C) \$23,000 but less than \$25,000
- (D) \$25,000 but less than \$27,000
- (E) \$27,000 or more

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