

2011

Data for Question 48 (3 points)

Plan year: 4/1 – 3/31.

The plan is a defined benefit plan with 50 participants.

Monthly normal retirement benefit: 3.29% of final 36-month average compensation per year of service.

Data for participant Smith as of 4/1/2012:

Date of birth	4/1/1947
Date of hire	1/1/2006
Date of termination	12/31/2008
Monthly compensation	\$40,000 for all months
Vested percentage	100%

Lump sum factors at attained age on 4/1/2012:

12/2011 using applicable interest and mortality	12.82
3/2012 using applicable interest and mortality	13.05

Applicable lookback month: The month preceding the first day of the stability period.

Stability period: One calendar quarter.

Question 48

In what range is the lump sum benefit payable to Smith on 4/1/2012?

- (A) Less than \$285,000
- (B) \$285,000 but less than \$295,000
- (C) \$295,000 but less than \$305,000
- (D) \$305,000 but less than \$315,000
- (E) \$315,000 or more

2012

Data for Question 42 (3 points)

Applicable 417(e) segment rates: $\{4.5\%, 5.0\%, 6.0\%\}$.

Selected data for participant Smith:

Date of birth	1/1/1963
Date of termination	1/1/2013
Vested accrued benefit	\$20,000

Benefits are payable as a 5-year certain and life annuity, in annual installments, starting at age 65.

Participant Smith terminated and elected to receive a lump sum distribution on 1/1/2013 equal to the present value of the deferred vested accrued benefit.

The plan definition of actuarial equivalence is the Applicable Interest Rate and Applicable Mortality Table under 417(e) with no pre-retirement mortality.

Selected annuity values:

Interest rate	\ddot{a}_{65}	\ddot{a}_{70}
5%	12.11	10.50
6%	11.14	9.78

$${}_5p_{65} = 0.90$$

Question 42

In what range is lump sum distribution payable to Smith on 1/1/2013?

- (A) Less than \$96,000
- (B) \$96,000 but less than \$102,000
- (C) \$102,000 but less than \$108,000
- (D) \$108,000 but less than \$114,000
- (E) \$114,000 or more