

2001

Data for Question 31 (3 points)

Plan effective date: 1/1/1995.

Normal retirement benefit:

Effective 1/1/1995	\$20 per month for each year of service
Effective 1/1/2001	\$25 per month for each year of service

Actuarial cost method: Individual level premium.

Actuarial assumptions:

Valuation interest rate	7% per year
Retirement age	65
Pre-retirement decrements	None

There have been no experience gains or losses since the inception of the plan.

Data for sole participant:

Date of birth	1/1/1961
Date of hire	1/1/1986

Selected annuity value:

$$\ddot{a}_{65}^{(12)} = 9.873$$

Question 31

In what range is the 2001 normal cost as of 1/1/2001?

- (A) Less than \$675
- (B) \$675 but less than \$975
- (C) \$975 but less than \$1,275
- (D) \$1,275 but less than \$1,575
- (E) \$1,575 or more

2004

Data for Question 27 (3 points)

Plan effective date: 1/1/1991.

Actuarial cost method: Individual level premium.

Normal retirement age: 62.

Normal retirement benefit:

Effective 1/1/1991	\$20 per month for each year of service
Effective 1/1/2002	\$25 per month for each year of service
Effective 1/1/2004	\$30 per month for each year of service

Valuation interest rate: 7% per year.

Data for sole participant:

Date of birth	1/1/1956
Date of hire	1/1/1981

Selected annuity value:

$$\ddot{a}_{62}^{(12)} = 9.873$$

Question 27

In what range is the 2004 normal cost as of 1/1/2004?

- (A) Less than \$1,000
- (B) \$1,000 but less than \$1,500
- (C) \$1,500 but less than \$2,000
- (D) \$2,000 but less than \$2,500
- (E) \$2,500 or more