

2005

Data for Question 41 (3 points)

A company maintains a retiree health plan and a pension plan with the following information as of January 1, 2005:

Retiree health plan:

Liabilities	\$15,000,000
Assets	5,000,000
Expected employer paid claims for 2005	1,000,000

10% of the retiree health plan's liabilities and expected benefit payments are for key employees.

Pension plan:

Actuarial accrued liability	\$40,000,000
Current liability	35,500,000
Assets:	
Market value	46,200,000
Actuarial value	45,200,000
Expected benefit payments for 2005	4,000,000

Question 41

In what range is the maximum amount that the company can transfer from the pension plan to the retiree health plan in 2005?

- (A) Less than \$600,000
- (B) \$600,000 but less than \$700,000
- (C) \$700,000 but less than \$800,000
- (D) \$800,000 but less than \$900,000
- (E) \$900,000 or more

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