

From: [BCG Terminal Funding Company](#)
To: [Terry McCauley](#)
Subject: The Pension Insider - April 2014
Date: Wednesday, April 09, 2014 4:57:26 PM



The Pension Insider

April, 2014 - Volume 47, Edition 1

The Pension Insider is a monthly newsletter developed for Actuaries, Third Party Administrators, Attorneys, and Consultants who work in the pension arena. The Pension Insider was created to share ideas, success stories, coming events, and industry specific articles.

BCG Terminal Funding Company specializes in settling pension liability for terminating and ongoing pension plans.

Pension Risk Consultants

Today's Solutions for Tomorrow's Needs.

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According to [Forbes.com](#) many plans have been considering plan termination and now may be the right time.

Companies Prepare To Dump Pension Plans In 2014
Will your defined benefit pension be the next to be "de-risked" and then dumped? Clorox froze its defined benefit pension plan in 2011, and now it's taking steps to prep the plan in case the fiduciary committee decides to offload it onto an insurer, according to a Clorox executive who spoke at a recent Mercer webcast on pension de-risking.

What does pension de-risking mean for workers? Employers might offer to pay current retirees and former employees lump sums in lieu of promised monthly pension payments. Or they might replace former employees' pensions with equivalent annuities purchased from an insurer. In some cases, employers who intend to keep running their plans in-house are changing investments to less risky ones to make the plans more stable. But there are outside risks – increasing PBGC premiums and increasing longevity – that are making it a costlier and a tougher case to keep the pension liabilities on the books. [click here](#)

Based on an article in [Plansponsor.com](#) consultants are seeing more plans making the decision to de-risk.

Implementing a Liability Driven Investing Strategy
April 1, 2014 (PLANSponsor.com) - Plan sponsors and retirement committees have been examining their pension plans with the objective of "de-risking" the plans to manage future volatility in funding and expense.

Eliminating volatility will allow for the systematic funding of the plans and, in some cases, accelerate the timetable for the termination of the plans. The methodology identified and commonly used for achieving "de-risking" is liability-driven investing (LDI).

LDI Overview

Traditionally, pension plan investing has focused on maximizing returns. LDI reorients this traditional approach, and instead aims at reducing the risk to funded status through investment strategy and asset allocation. Its rationale: if the goal of a pension plan is to meet liabilities, then the investing goal should be focused on that larger

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plan goal. There are no hard-and-fast rules on what qualifies as LDI; in some respects, it is still evolving. [click here](#)

BCG Terminal Funding Company was proud to be an exhibitor at the recent Enrolled Actuaries Annual Conference in Washington DC. We enjoyed seeing old friends and meeting new ones.

Drawing Winner of the iPad Mini:
Patricia Conger
Feldman Benefit Services
Springfield, NJ

If you didn't get a chance to stop by, but you have some plan termination issues you would like to discuss, please do not hesitate to give us a call.

ANNUITY RATES

Standard Pension Closeout/Terminal Funding Case Rates:

(No lump sums, no disability or unusual provisions)

Immediates - 3.15%

Deferreds - 3.35%

50/50 Split of Immediates and Deferreds - 3.25%



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