

From: BCG Terminal Funding Company [service@bcgtermfund.com]
Sent: Monday, June 03, 2013 2:44 PM
To: Terry McCauley
Subject: The Pension Insider - May 2013 Issue



The Pension Insider

May, 2013 - Volume 37, 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.

Contents

[An Introduction to Pension Risk Transfer](#)

[click here](#)

Hear Directly from BCG's Client, Hickory Springs Manufacturing Company on Completing the U.S.' First Pension Buy-In Transaction with

An Introduction to Pension Risk Transfer

Pension Risk Transfer (PRT) eliminates risks inherent in Defined Benefit (DB) plans. Plan sponsors are increasingly utilizing PRT as a way to eliminate volatile risks and financial statement obligations attendant to DB plans. Additionally, many recurring annual costs may be eliminated (data maintenance, annual administrative fees, ever-increasing Pension Benefit Guaranty Corporation (PBGC) premiums, etc.). It is for these reasons that PRT analysis has become a business necessity. Recent actions by GM, Verizon and Ford and many others validate the viability of PRT. There are several ways a DB plan can utilize PRT strategies, a few of the common ones are highlighted below:

Lump Sum Payments

Most DB plans have a "cash out" provision that mandates the automatic payment of a participant's accrued benefit via a one-time lump sum payment equal to the value of the benefit, provided the value is less than \$5,000. This is common practice as it eliminates all of the risks and costs noted above related to the participant's promised benefit. Considering the administration costs and PBGC premiums are approximately \$100 per participant per year and will continue to increase, it's a "no-brainer" to eliminate that fixed cost for those with the smallest liability. As an example, why pay \$100+ each year for the next 20 years (\$2,000+) to retain a benefit promise to a participant that no longer works for your company when you will ultimately have to pay the promised benefit anyway and you could settle for under \$5,000 today?

[click here](#)

How many clients with frozen defined benefit plans do you have?

Prudential
click here

Rate Update
Request A Quote

[Contact Us](#)

[Austin Operations Office](#)
Patrick McLean, CPA
800-832-7742
pmclean@bcgtermfund.com

[Boston Office](#)
Michael E. Devlin, AIF
800-566-0046 ext.403
mdevlin@bcgtermfund.com

[Chicago Office](#)
Dave Rumas, FCA, EA,
MAAA
219-513-9186
drumas@bcgtermfund.com

[Cincinnati Office](#)
Debbie M. Sharp, CEBS
800-566-0046, ext. 405
dsharp@bcgtermfund.com

[Boise/Los Angeles Offices](#)
Sean O'Flaherty, CRPS,
AIF
800-566-0046 ext.402
sean@bcgtermfund.com

[Submit Response]

Use this link if the form above doesn't work

Annuity Rates

Standard Pension Closeout/Terminal Funding Case Rates

No lump sums, no disability or unusual provisions

Immediates - 2.85%

Deferreds - 3.30%

50/50 Split of Immediates and Deferreds - 3.07%

WWW.BCGTERMFUND.COM

service@bcgtermfund.com • BCG Terminal Funding Company

Send to a Colleague 

This CoolerEmail was delivered to you by BCG Terminal Funding Company. Leave this mailing list, or modify your preferences. If you request to be taken off this email list, BCG Terminal Funding Company will honor your request pursuant to CoolerEmail's permission-based email terms and conditions. Postal address: 100 Grandview Road Suite 303, Braintree, MA 02184 US

Powered by CoolerEmail