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## The Pension Insider

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*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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### BCG to Present at 2014 PLANSponsor National Conference

Mike Devlin will continue his quest toward educating Plan Sponsors on pension risk mitigation and settlement strategies at the 2014 PLANSponsor National Conference being held in Chicago June 2-3. The panel topic is "DB Plan De-risking" and the panel's time slot is June 3 (2:15-3:05), Session 3. Stop by if you are attending the conference!

According to [Pensions & Investments](#) the funding levels for pension plans is at the highest level since 2007.

### Corporate Pension Funding Status Rises to Highest Level Since 2007

The average funding ratio for the 100 largest U.S. corporate defined benefit plans jumped to 93.5% in 2013 more than 10 percentage points higher than the previous two years and the highest since 2007, according to Pensions & Investments' annual analysis of corporate SEC filings.

"I would not be surprised if the funding ratio exceeded 100% by the end of this year," said Andrew Wozniak, the New York-based head of fiduciary solutions, in the investment strategy and solutions group of BNY Mellon Investment Management.

The funding level was 108.6% in 2007, but plunged to 79.1% in 2008, the peak of the financial crisis. In 2012, funding was 80.6%, a slight decrease from 2011's 81.6%.  
[Click Here](#)

### New Mortality Tables Forthcoming

The Society of Actuaries' Retirement Plans Experience Committee (RPEC) has released an exposure draft of recent mortality experience (RP-2014 Mortality Tables).  
[Click Here](#)

As expected, the mortality tables and projection scales validate everyone's belief that people are indeed living longer. As a result, we believe many companies will soon be updating the mortality tables used in measuring their pension plan benefit obligations under US GAAP. Reflecting the updated mortality experience will result in increased balance sheet liabilities and significantly narrow the gap between settling the benefit obligations with an annuity contract and the measured GAAP liability. Additionally, the IRS mandated tables that must be used to determine minimum lump sum values will likely be updated in 2016 and result in larger lump sum values.

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Contact BCG for an in-depth analysis of how best to mitigate and manage longevity and other risks inherent in maintaining pension benefit obligations.

ANNUITY RATES

Standard Pension Closeout/Terminal Funding Case Rates:  
*(No lump sums, no disability or unusual provisions)*  
Immediates - 2.93%  
Deferreds - 2.98%  
50/50 Split of Immediates and Deferreds - 2.96%



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