



EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

JUL 11 2025

Release Number: 202540027

Release Date: 10/3/2025

Re: Submission requesting the use of plan-specific base substitute mortality tables

Taxpayer =

EIN: -

Plan for which base substitute mortality tables are requested:

Plan =

EIN: - (Plan No.)

Other information relevant to this ruling:

Spun Off Plan =

EIN: - (Plan No.)

Spinoff Date =

Dear :

This letter is to inform you that your request to use base substitute mortality tables for making computations under section 430 of the Internal Revenue Code ("Code") for the Plan has been granted with respect to the populations specified in this letter. This ruling is effective for a period of up to 5 plan years beginning with the plan year commencing January 1, 2025 for the Plan. Approval has been granted in accordance with section 430(h)(3) of the Code and section 303(h)(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

This ruling was originally requested in a letter postmarked on October 30, 2024. On December 19, 2024, the Taxpayer's authorized representative requested the 90-day extension of the 180-day review period in accordance with section 4.4 of Revenue Procedure 2024-32. The Taxpayer's authorized representative provided electronic versions of the exhibits provided with the Taxpayer's submission on January 2, 2025, and provided clarifying information on January 16, 2025, February 4, 2025, February 6, 2025, February 11, 2025, and

March 13, 2025. The Taxpayer's authorized representative confirmed the proposed base substitute mortality tables on February 28, 2025.

This approval applies to the following specific populations of the Plan:

- Combined male annuitants and nonannuitants
- Combined female annuitants and nonannuitants

Disabled participants were included in each population along with the healthy participants.

The following facts and representations have been submitted under penalties of perjury in support of the ruling requested.

The Taxpayer is the plan sponsor for the Plan, which is the only qualified defined benefit plan subject to section 430 of the Code maintained within the Taxpayer's controlled group. The Plan is not newly acquired, and the Taxpayer does not sponsor any multiple-employer plans.

On the Spinoff Date, a portion of the population in the Plan was spun off and created the Spun Off Plan, which is under the control of a separate taxpayer. The Spinoff Date is after the end of the experience study period and as such, the Taxpayer has prepared these proposed base substitute mortality tables entirely excluding the participants that were spun off from the Plan on the Spinoff Date.

The Taxpayer represents that no population of the Plan lacks credible mortality experience and therefore, there are no populations for which the standard mortality tables will be used for calculations under section 430 of the Code.

The Taxpayer did not elect to use the simplified rule under section 1.430(h)(3)-2(c)(2)(ii)(B) of the Treasury Regulations ("Regulations") in which the experience study would only take into account people who are at least age 50 and less than age 100.

The Taxpayer has elected to use a single mortality ratio for both genders in accordance with section 1.430(h)(3)-2(d)(6) of the Regulations.

The Taxpayer's request is made in accordance with section 430(h)(3)(C)(i) of the Code, section 303(h)(3) of ERISA, section 1.430(h)(3)-2 of the Regulations, and Revenue Procedure 2024-32.

Section 430(h)(3) of the Code states, in relevant part, that:

- (A) In general. Except as provided in subparagraph (C) or (D), the Secretary shall by regulation prescribe mortality tables to be used in determining any present value or making any computation under this section. Such tables shall be based on the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary shall take into account results of available independent studies of mortality of individuals covered by pension plans.

(C) Substitute mortality table—

- (i) In general. Upon request by the plan sponsor and approval by the Secretary, a mortality table which meets the requirements of clause (iii) shall be used in determining any present value or making any computation under this section during the period of consecutive plan years (not to exceed 10) specified in the request.
- (ii) Early termination of period. Notwithstanding clause (i), a mortality table described in clause (i) shall cease to be in effect as of the earliest of—
 - (I) the date on which there is a significant change in the participants in the plan by reason of a plan spinoff or merger or otherwise, or
 - (II) the date on which the plan actuary determines that such substitute mortality table does not meet the requirements of clause (iii).
- (iii) Requirements. A mortality table meets the requirements of this clause if—
 - (I) there is a sufficient number of plan participants, and the pension plans have been maintained for a sufficient period of time, to have credible information necessary for purposes of subclause (II), and
 - (II) such table reflects the actual experience of the pension plans maintained by the sponsor and projected trends in general mortality experience.

Section 1.430(h)(3)-1(b)(1)(iii) of the Regulations states, in relevant part, that except as otherwise provided in this paragraph (b)(1)(iii), the mortality improvement rates for valuation dates occurring on or after January 1, 2024, are the 2024 Adjusted Scale MP-2021 Rates as incorporated by reference pursuant to paragraph (b)(1)(iv)(A) of this section.

Section 1.430(h)(3)-1(d) of the Regulations provides the base mortality tables with a base year of 2012. Along with the base mortality tables, a weighting factor for small plans is included.

Section 1.430(h)(3)-2(c)(2)(ii)(B) of the Regulations states, in relevant part, that whether there is credible mortality information for a gender may be determined by only taking into account people who are at least age 50 and less than age 100. If there is credible mortality information for a gender using this simplified rule, the entire gender (not just those who are at least age 50 and less than age 100) has credible mortality information.

Section 1.430(h)(3)-2(c)(3) of the Regulations states, in relevant part, that:

- (i) Requirement to use generational mortality table. A plan's substitute mortality tables must be generational mortality tables. A plan's substitute mortality tables are determined using the plan's base substitute mortality tables developed pursuant to paragraph (d) or (e) of this section and the mortality improvement factors described in paragraph (c)(3)(ii) of this section.
- (ii) Determination of mortality improvement factors. The mortality improvement factor for an age and gender is the cumulative mortality improvement factor determined under § 1.430(h)(3)-1(b)(2)(ii) for that age and gender for the applicable period. The applicable period is the period beginning with the base year for the base substitute mortality table determined under paragraph (d) or (e) of this section and ending in the calendar year in which the individual attains the age for which the probability of death is being

determined. The base year for the base substitute mortality table is the calendar year that contains the day before the midpoint of the experience study period.

Section 1.430(h)(3)-2(d)(2) of the Regulations states, in relevant part, that:

- (i) General rule. The base substitute mortality table for a gender or other population must be developed from an experience study of the mortality experience of that population that is collected over an experience study period. The experience study period must consist of 2, 3, 4, or 5 consecutive 12-month periods, and must be the same period for all populations except as provided in paragraph (c)(5)(iii) of this section.
- (ii) Requirement to use recent experience data –
 - (A) General rule. Except as provided in paragraph (d)(2)(ii)(B) of this section, the last day of the experience study period must be less than 3 years before the first day of the first plan year for which the substitute mortality tables are to apply. For example, if January 1, 2019, is the first day of the first plan year for which the substitute mortality tables will be used, then an experience study using calendar year data generally must include data collected for a period that ends no earlier than December 31, 2016.

Section 1.430(h)(3)-2(d)(4) of the Regulations states, in relevant part, that:

- (i) In general. The mortality rates under the base substitute mortality tables must be amounts-weighted mortality rates that are derived from the experience study. Except as provided in paragraph (d)(4)(iv) of this section, the mortality rate for an age and gender is determined by multiplying the mortality rate for that age and gender from the standard mortality table determined under paragraph (d)(4)(iii) of this section by the mortality ratio determined under paragraph (d)(4)(ii) of this section. If the simplified rule of paragraph (c)(2)(ii)(B) of this section is used for the population, then the mortality ratio is determined only taking into account people who are at least 50 years old and less than 100 years old, but the mortality ratio is applied to all ages.
- (iii) Standard mortality table –
 - (A) Projection of base table. Except as otherwise provided in this paragraph (d)(4)(iii), the standard mortality table for a year is the mortality table determined by applying cumulative mortality improvement factors determined under § 1.430(h)(3)-1(b)(2)(ii) to the base mortality table under § 1.430(h)(3)-1(d) for the period beginning with the base year for that mortality table and ending in the base year for the base substitute mortality table determined under paragraph (c)(3)(ii) of this section. For purposes of the preceding sentence, the cumulative mortality improvement factors are determined using the mortality improvement rates described in § 1.430(h)(3)-1(b)(1)(iii) that apply for the calendar year during which the plan sponsor submits the request for approval to use substitute mortality tables.

Section 1.430(h)(3)-2(d)(6) of the Regulations states, in relevant part, that base substitute mortality tables for a plan may be constructed by developing and applying a single mortality ratio for both genders, but only if the substitute mortality tables used for all plans maintained by members of the plan sponsor's controlled group (except for plans for which both the male and female populations, considered separately, have mortality experience with full credibility) are

constructed in this manner. If this option is applied for a plan, then for all plans maintained by members of the plan sponsor's controlled group, whether both the male and female populations within the plan have credible mortality information (and, if that combined population's mortality experience does not have full credibility, the partial credibility weighting factor for the plan) is determined using the combined mortality experience for both genders.

Section 1.430(h)(3)-2(e)(1) of the Regulations states, in relevant part, that the mortality experience with respect to a population has partial credibility if the actual number of deaths for that population during the experience study period described in paragraph (d)(2) of this section is at least equal to 100 and is less than the full credibility threshold for the population in paragraph (d)(3) of this section. If the mortality experience for the population has partial credibility, then in lieu of creating a base substitute mortality table as described in paragraph (d) of this section, the base substitute mortality table is created as the sum of—

- (i) The product of—
 - (A) The partial credibility weighting factor determined under paragraph (e)(2) of this section; and
 - (B) The mortality rates that are derived from the experience study determined under paragraph (d)(4)(i) of this section, and
- (ii) The product of—
 - (A) One minus the partial credibility weighting factor described in paragraph (e)(2) of this section; and
 - (B) The mortality rate from the standard mortality tables described in paragraph (d)(4)(iii) of this section.

Revenue Procedure 2024-32 sets forth the procedure by which the sponsor of a defined benefit plan that is subject to the funding requirements of section 430 of the Code may request approval from the IRS for the use of plan-specific substitute mortality tables in accordance with section 430(h)(3)(C) of the Code and section 1.430(h)(3)-2 of the Regulations. This revenue procedure updates the procedures set forth in Revenue Procedure 2017-55 and reflects amendments to section 1.430(h)(3)-2 of the Regulations that were published in the Federal Register on July 31, 2024.

Section 8 of Revenue Procedure 2024-32 requires a demonstration of population stability:

1. Required comparison of population count. The following information must be provided in tabular form for each population within the plan (or aggregated group) for which approval to use substitute mortality tables is requested, aggregating all plans that have the same plan year:
 - (1) The average number of individuals within the population during the experience study period; and
 - (2) The number of individuals within the population as of the last day of the plan year immediately preceding the plan year during which approval to use substitute mortality tables is requested.

The Taxpayer's proposed base substitute mortality tables were developed based on an experience study period from January 1, 2018 – December 31, 2022, with a base year of 2020. This satisfies the requirements under sections 1.430(h)(3)-2(c)(3) and (d)(2) of the Regulations

because the base year is the calendar year that contains the day before the midpoint of the experience study period, the experience study period consists of 5 consecutive 12-month periods and are the same period for all populations, and the last day of the experience study period is less than 3 years before the first day of the first plan year for which the base substitute mortality tables are to apply.

The Taxpayer's proposed base substitute mortality tables were developed by adjusting the applicable combined standard base mortality tables under section 1.430(h)(3)-1(d) of the Regulations, projected using the 2024 Adjusted Scale MP-2021 Rates¹ under section 1.430(h)(3)-1(b)(1)(iii) of the Regulations, using the mortality ratio and credibility weighting factor as shown in the table below. This satisfies the requirements under sections 1.430(h)(3)-2(d)(4)(i) and (iii) of the Regulations, and section 1.430(h)(3)-2(e)(1) of the Regulations because the mortality rates for an age and gender are determined by multiplying the mortality rate for that age and gender from the standard mortality table by the mortality ratio and will rely on the partial credibility weighting factor to blend the mortality rates derived from the experience study with the mortality rates from the standard mortality tables.

Mortality Ratio and Credibility Weighting Factor

Population	Mortality ratio	Credibility weighting factor
Combined male and female annuitants and nonannuitants (including disabled participants) of the Plan		

The Taxpayer's proposed mortality ratio and credibility weighting factor were determined combining experience of male annuitants and nonannuitants (including disabled participants), and female annuitants and nonannuitants (including disabled participants), which is consistent with section 1.430(h)(3)-2(d)(6) of the Regulations.

This approval applies to the following specific populations for the Plan:

- Combined male annuitants and nonannuitants (including disabled participants).
- Combined female annuitants and nonannuitants (including disabled participants).

In granting this approval, we have only considered whether the Taxpayer's base substitute mortality tables were developed in accordance with section 1.430(h)(3)-2 of the Regulations and Revenue Procedure 2024-32. Accordingly, we are not expressing any opinion as to the accuracy or acceptability of any calculations or other materials submitted with the Taxpayer's request.

Permission is hereby granted to use the base substitute mortality tables for the Plan, shown below².

¹ <https://www.irs.gov/pub/irs-tege/2024-adjusted-scale-mp-2021-rates-br.pdf>.

² Taxpayer's authorized representative confirmed the proposed base substitute mortality tables on February 28, 2025.

Base Substitute Mortality Tables
 Approved for use beginning with the plan year commencing
 January 1, 2025 for the Plan
 Base year 2020

Age	Combined male annuitants and nonannuitants (including disabled participants)	Combined female annuitants and nonannuitants (including disabled participants)
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Age	Combined male annuitants and nonannuitants (including disabled participants)	Combined female annuitants and nonannuitants (including disabled participants)
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Age	Combined male annuitants and nonannuitants (including disabled participants)	Combined female annuitants and nonannuitants (including disabled participants)
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Age	Combined male annuitants and nonannuitants (including disabled participants)	Combined female annuitants and nonannuitants (including disabled participants)
119		
120		

The Internal Revenue Service ("IRS") has reviewed the Taxpayer's proposed base substitute mortality rates and supporting information, and has determined that based on the information submitted, the proposed base substitute mortality tables are developed in accordance with section 1.430(h)(3)-2 of the Regulations and Revenue Procedure 2024-32.

The approved base substitute mortality tables must be applied on a generational basis, as provided in section 1.430(h)(3)-2(c)(3) of the Regulations.

Your attention is called to section 430(h)(3)(C)(ii) of the Code and section 1.430(h)(3)-2(c)(6)(ii) of the Regulations which states, in relevant part, that a plan's substitute mortality tables must not be used beginning with the earliest of—

- (A) For a plan using a substitute mortality table for only one gender because of a lack of credible mortality information with respect to the other gender, the first plan year for which there is credible mortality information with respect to the gender that had lacked credible mortality information (unless an approved substitute mortality table is used for that gender);
- (B) The first plan year for which the plan fails to satisfy the requirements of section 1.430(h)(3)-2(c)(1) of the Regulations (regarding use of substitute mortality tables for all plans in the controlled group), taking into the rules of section 1.430(h)(3)-2(f)(3) of the Regulations (regarding the transition period for newly-affiliated plans);
- (C) The second plan year following the plan year for which there is a significant change in individuals covered by the plan as described in section 1.430(h)(3)-2(c)(6)(iii) of the Regulations;
- (D) The first plan year following the plan year in which a substitute mortality table used for a plan population is no longer accurately predictive of future mortality of that population, as determined by the Commissioner or as certified by the plan's actuary to the satisfaction of the Commissioner; or
- (E) The date specified in guidance published in the Internal Revenue Bulletin (see section 601.601(d) of the Regulations) in conjunction with a replacement of mortality tables specified under section 430(h)(3)(A) of the Code and section 1.430(h)(3)-1 of the Regulations (other than changes to the mortality improvement rates under section 1.430(h)(3)-1(b)(1)(iii) of the Regulations or annual updates to the static mortality tables issued as noted in section 1.430(h)(3)-1(c)(1)(iv) of the Regulations).

Section 1.430(h)(3)-2(c)(6)(iii) of the Regulations states, in relevant part, that:

- (A) For purposes of applying the rules of section 1.430(h)(3)-2(c)(6)(ii)(C) of the Regulations, a significant change in the individuals covered by a substitute mortality

table for a plan year occurs if the number of individuals covered by the substitute mortality table for the plan year is less than 80 percent or more than 120 percent of the average number of individuals in that population over the years covered by the experience study on which the substitute mortality tables are based. However, a change in coverage is not treated as significant if the plan's actuary certifies in writing to the satisfaction of the Commissioner that the substitute mortality tables used for the population continue to be accurately predictive of future mortality of that population (taking into account the effect of the change in the population).

- (B) For purposes of applying the rules of section 1.430(h)(3)-2(c)(6)(ii)(C) of the Regulations, a significant change in the individuals covered by a substitute mortality table for a plan year occurs if the number of individuals covered by the substitute mortality table for the plan year is less than 80 percent or more than 120 percent of the number of individuals covered by the substitute mortality table in a plan year for which a certification described in section 1.430(h)(3)-2(c)(6)(iii)(A) of the Regulations was made on account of a prior change in coverage. However, a change in coverage is not treated as significant if the plan's actuary certifies in writing to the satisfaction of the Commissioner that the substitute mortality tables used by the plan with respect to the covered population continue to be accurately predictive of future mortality of that population (taking into account the effect of the change in the population).

For reference, the average headcount of combined male annuitants and nonannuitants (including disabled participants) and combined female annuitants and nonannuitants (including disabled participants) in the Plan over the years covered by the experience study, as well as the most recent number of combined male annuitants and nonannuitants (including disabled participants) and combined female annuitants and nonannuitants (including disabled participants) under the Plan, are as follows:

	Combined male annuitants and nonannuitants (including disabled participants)	Combined female annuitants and nonannuitants (including disabled participants)
Average headcount during the experience study period		
Headcount as of December 31, 2023		
Change from average headcount		

A certification must be provided each plan year that it is required under the regulations, as described above, signed by the enrolled actuary for the Plan, stating that the approved base substitute mortality tables continue to be accurately predictive of the expected future mortality for participants in the Plan. This certification must also contain a statement that:

- (1) The enrolled actuary is current with educational requirements set forth by the Joint Board for the Enrollment of Actuaries as well as any other actuarial designations asserted.
- (2) The enrolled actuary was personally involved in the determination that the base substitute mortality tables are still accurately predictive and provides the actuary's best estimate for the Plan;

- (3) In determining that the base substitute mortality tables are still accurately predictive, the enrolled actuary took into consideration the effect of business combinations, plan mergers or plan spinoffs and settlements/other risk transfers, and other events that would have similar effects on the relevant populations; and
- (4) The enrolled actuary has the specific knowledge and experience to make the judgements set forth above and attests to these representations.

All required certifications must be provided on or before the date Form 5500 is filed for each plan year for which the certification is required and must be accompanied by the supporting information relied upon by the enrolled actuary to make that certification. To the extent possible, please also provide the following supporting information:

- (1) The number of actual deaths during the experience study period used to develop the base substitute mortality tables, and the beginning and ending dates of the experience study period;
- (2) A table showing the number of expected deaths and actual deaths, reported separately as of December 31, 2023 and for each subsequent plan year through the plan year immediately preceding the most recent actuarial valuation, and in total;
- (3) A table similar to the stability demonstration required under section 8.1. of Revenue Procedure 2024-32, showing the average number of participants in the population covered by the base substitute mortality tables during the experience study period and the number of participants in that population as of the end of each plan year, beginning with December 31, 2023 through the plan year immediately preceding the most recent actuarial valuation, expressed both as a headcount and as a percentage of the average number of participants in the experience study;
- (4) A table showing a comparison of (i) the average ages and (ii) the percentage of the population, by the following monthly single life annuity brackets: under \$100, between \$100 and \$250, between \$250 to \$500, between \$500 to \$1,000, between \$1,000 and \$1,500, and \$1,500 and over, along with the average age and average benefit amount for the population in total. This information should also be provided for each population in the experience study and at the end of each plan year, beginning with the valuation date for the first plan year that the certification is required, through the date immediately preceding the most recent actuarial valuation at the time the information is reported; and
- (5) An explanation of any material changes in the population.

This information must be provided to Mr. David M. Ziegler (or to another individual designated by the IRS) to the following address:

Internal Revenue Service
Attn: Mr. David M. Ziegler
TE/GE:SE:T:EP:RA:T:A2
1111 Constitution Ave, NW
IR-6213
Washington, DC 20224-0002

Failure to provide this information by the due date may result in a requirement that the standard mortality tables must be used for purposes of section 430 of the Code, beginning with the earlier of:

- (1) the plan year for which the deadline for providing this information is missed, or
- (2) the date required for early termination of the use of these base substitute mortality tables pursuant to section 1.430(h)(3)-2(c)(6)(ii) of the Regulations.

This ruling may be revoked or modified retroactively if there was a misstatement or omission of controlling facts, the facts at the time of the transaction are materially different from the controlling facts on which this ruling is based, or the transaction involves a continuing action or series of actions, and the controlling facts change during the course of the transaction.

When filing the Form 5500 for the Plan for plan years which these base substitute mortality tables are used, please note the information that is required to be attached to the Schedule SB of Form 5500 (Actuarial Information) in accordance with the instructions.

We have sent a copy of this ruling to the Taxpayer's authorized representatives, pursuant to a Power of Attorney and Declaration of Representative (Form 2848). A copy of this ruling is also being sent to the Manager, EP Classification Group 4 in Houston, Texas.

If you wish to inquire about this ruling, please contact Mr.
Number) at () - .

(ID Badge

Sincerely,

David M. Ziegler, Manager
Employee Plans Actuarial Group 2

Enclosures

Notice 437, Notice of Intention to Disclose (Rulings)
A deleted copy of the ruling

cc: