

## AGE 55 COMMENCEMENT—Continued

Optional form	Amount of distribution per \$1,000 of immediate single life annuity	Relative value
QJSA (joint and 75 percent survivor annuity for a participant who is married).	\$956 per month (\$717 per month for survivor annuity).	n/a.
Joint and 100 percent survivor annuity .....	\$886 per month (\$886 per month for survivor annuity).	Approximately the same value as the QJSA.
Lump sum .....	\$165,959 .....	Approximately the same value as the QJSA.

## AGE 60 COMMENCEMENT

Optional form	Amount of distribution per \$1,000 of immediate single life annuity	Relative value
Life Annuity .....	\$1,000 per month .....	Approximately 94 percent of the value of the QJSA.
QJSA (joint and 75 percent survivor annuity for a participant who is married).	\$945 per month (\$709 per month for survivor annuity).	n/a.
Joint and 100 percent survivor annuity .....	\$859 per month (\$859 per month for survivor annuity).	Approximately 94 percent of the value of the QJSA.
Lump sum .....	\$151,691 .....	Approximately the same value as the QJSA.

## AGE 65 COMMENCEMENT

Optional form	Amount of distribution per \$1,000 of immediate single life annuity	Relative value
Life Annuity .....	\$1,000 per month .....	Approximately 93 percent of the value of the QJSA.
QJSA (joint and 75 percent survivor annuity for a participant who is married).	\$932 per month (\$699 per month for survivor annuity).	n/a.
Joint and 100 percent survivor annuity .....	\$828 per month (\$828 per month for survivor annuity).	Approximately 93 percent of the value of the QJSA.
Lump sum .....	\$135,759 .....	Approximately 93 percent of the value of the QJSA.

(iii) The chart disclosing the financial effect and relative value of the optional forms specifies that the calculations were prepared assuming that the spouse is three years younger than the participant, that the calculations relating to the single-sum distribution were prepared using 5.5 percent interest and average life expectancy, that the other calculations were prepared using a 6 percent interest rate, and that the relative value of actual payments for an individual can vary depending on how long the individual and spouse live. The explanation states that the relative value comparison converts the single life annuity, the joint and 100 percent survivor annuity, and the single-sum options to value of each if paid in the form of the QJSA and that this conversion uses interest and life expectancy assumptions. The explanation notes that the calculation of the QJSA depends on the actual age of the spouse (for example, annuity payments will be significantly lower if the spouse is significantly younger than the participant), and that the amount of the single-sum payment will depend on the interest rates that apply when the participant actually takes a distribution. The explanation also includes an offer to provide a calculation specific to the participant upon request, and an offer to provide mortality tables used in preparing calculations upon request.

(iv) In accordance with paragraph (d)(4)(i) of this section, Participant M requests specific information regarding the amounts

payable under the QJSA, the joint and 100 percent survivor annuity, and the single sum.

(v) Based on the information about the age of Participant M's spouse, Plan A determines that M's QJSA is \$2,856.30 per month, the joint and 100 percent survivor annuity is \$2,628.60 per month, and the single sum is \$497,876. The actuarial present value of the QJSA (determined using the 5.5 percent interest and the section 417(e)(3) applicable mortality table, the actuarial assumptions required under section 417) is \$525,091. Accordingly, the value of the single-sum distribution available to M on October 1, 2004, is 94.8 percent of the actuarial present value of the QJSA. In addition, the actuarial present value of the life annuity and the 100 percent joint and survivor annuity are 95.0 percent of the actuarial present value of the QJSA.

(vi) Plan A provides M with a QJSA explanation that incorporates these more precise calculations of the financial effect and relative value of the optional forms for which M requested information.

(f) *Effective date.* This section applies to QJSA explanations with respect to distributions with annuity starting dates on or after October 1, 2004, and to QPSA explanations provided on or after July 1, 2004. In the case of a retroactive annuity starting date under section 417(a)(7), when required under

§ 1.417(e)–1(b)(3)(vi), the date of commencement of the actual payments based on the retroactive annuity starting date is substituted for the annuity starting date for this purpose.

**§ 1.417(e)–1 [Amended]**

■ **Par. 5.** In § 1.417(e)–1, paragraph (b)(2) is amended by removing the language “§ 1.401(a)–20 Q&A–36” and adding “§ 1.417(a)(3)–1” in its place.

**PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT**

■ **Par. 6.** The authority citation for part 602 continues to read as follows:

**Authority:** 26 U.S.C. 7808.

■ **Par. 7.** In § 602.101, paragraph (b) is amended by adding an entry for “§ 1.417(a)(3)–1” in numerical order to the table to read in part as follows:

**§ 602.101 OMB Control numbers.**

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(b) \* \* \*

CFR part or section where identified and described

Current OMB control No.