

Presidential Documents

Title 3—The President

PROCLAMATION 4042

Earth Week, 1971

By the President of the United States of America

A Proclamation

Few concerns facing America and the world today are more compelling than the quality of our physical environment. All that we do, all that we hope to achieve for ourselves, all that we hope to create for our children will go for nothing if the world itself is made unfit to live in. The question of what we do with our environment is a matter of cosmic consequence; there is a limit to how long the matter rests merely with man, and if that limit is exceeded, the success of man as an earth creature may itself be limited by forces he no longer controls.

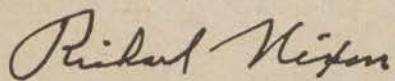
The earth and its atmosphere are a closed system. They are finite. The good water cannot purify itself indefinitely. The good air cannot cleanse itself endlessly. And the good earth cannot sustain and repair the injustices of man forever. Man must help to put his own earthly house in order.

We have made a beginning in this. But we have only begun. Now there must be a conscious, sustained effort by every American and, we might hope, by every citizen of the world if our posterity are not to look back in sorrow and wonder why, when God had created the earth and seen that it was good, man did not agree and leave it that way.

NOW, THEREFORE, I, Richard Nixon, President of the United States of America, do hereby designate the period of April 18 through April 24, 1971, as Earth Week.

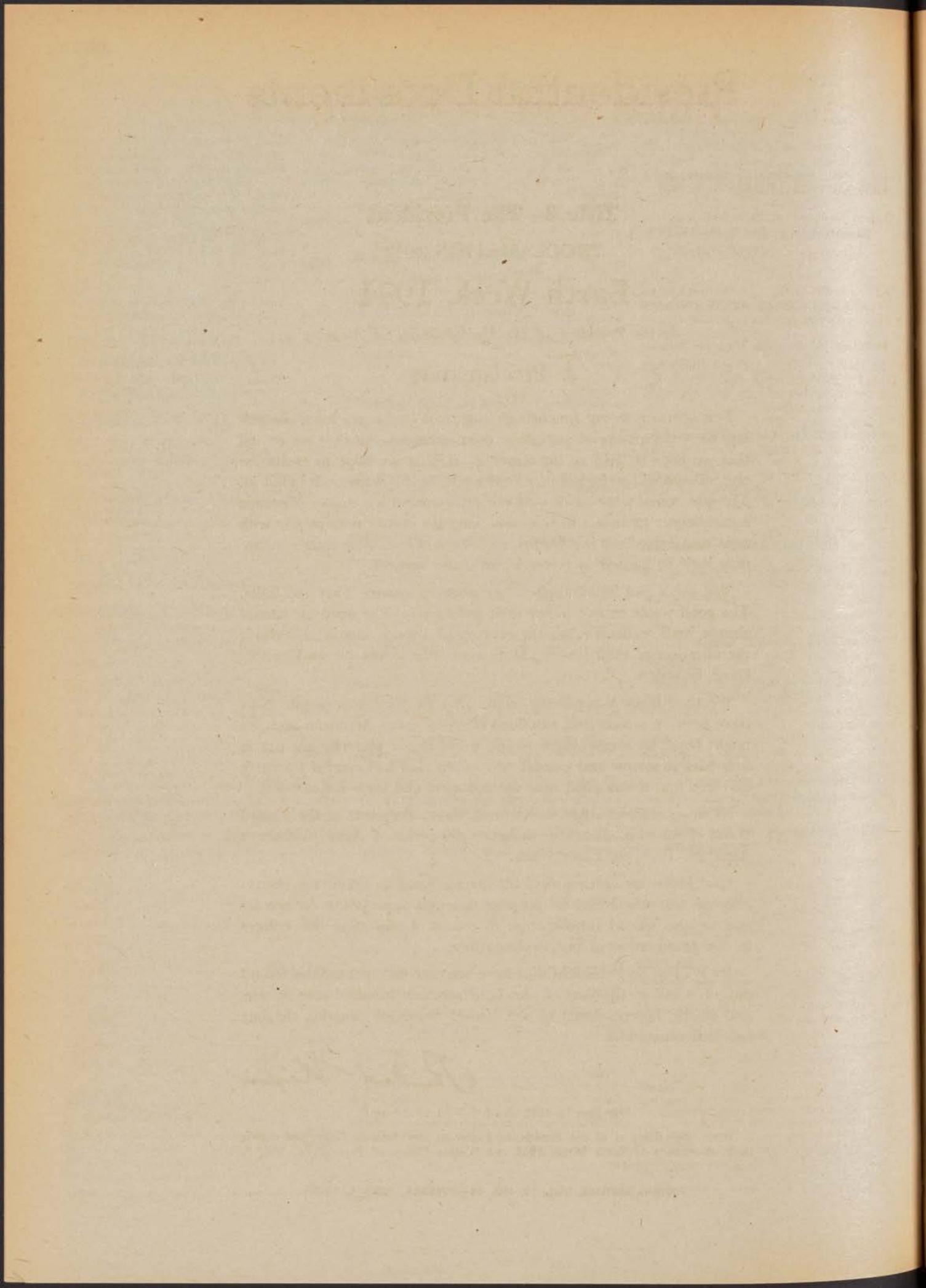
I call upon the Governors of the several States to encourage observance of this period and its purposes through appropriate ceremonies and to give special consideration to means of educating our citizens to the preservation of our environment.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of April, in the year of our Lord nineteen hundred seventy-one, and of the Independence of the United States of America the one hundred ninety-fifth.



[FR Doc. 71-4882 Filed 4-5-71;10:54 am]

NOTE: For the text of the President's Letter to the Nation's Governors urging their observance of Earth Week, 1971, see Weekly Comp. of Pres. Docs., Vol. 7, issue of April 5, 1971.



Rules and Regulations

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAXES

[T.D. 7105]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Definition of Pooled Income Fund

On July 17, 1970, there was published in the *FEDERAL REGISTER* (35 F.R. 11476) a notice of proposed rule making with respect to amendment of the Income Tax Regulations (26 CFR Part 1) to conform such regulations to section 642(c)(5) of the Internal Revenue Code of 1954, relating to the definition of pooled income fund, as added by section 201(b) of the Tax Reform Act of 1969 (Public Law 91-172, 83 Stat. 558). After consideration of all such relevant matters as were presented by interested persons regarding the rules proposed, the amendment to the regulations as proposed is hereby adopted, subject to the changes set forth below:

PARAGRAPH 1. Section 1.642(c)-5, as set forth in paragraph 2 of notice of proposed rule making, is changed by revising paragraphs (a), (b), and (c).

PAR. 2. Section 1.642(c)-6, as set forth in paragraph 2 to the notice of proposed rule making, is changed by revising paragraphs (a), (b), (c), and so much of paragraph (d)(3) as precedes the tables therein.

PAR. 3. Section 1.642(c)-7, as set forth in paragraph 2 to the notice of proposed rule making, is changed by revising paragraphs (a), (b), (c)(1), and (d).

(Sec. 7805 of the Internal Revenue Code of 1954, 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] RANDOLPH W. THROWER,
Commissioner of Internal Revenue.

Approved: March 29, 1971.

JOHN S. NOLAN,
Acting Assistant Secretary
of the Treasury.

PARAGRAPH 1. Section 1.642(c) is amended by revising section 642(c) and by adding a historical note, as follows:

§ 1.642(c) **Statutory provisions; estates and trusts; special rules for credits and deductions; charitable contributions deduction.**

Sec. 642. *Special rules for credits and deductions.* ***

(c) *Deduction for amounts paid or permanently set aside for a charitable purpose—(1) General rule.* In the case of an estate or trust (other than [sic] a trust meeting the specifications of subpart B), there shall be allowed as a deduction in computing its taxable income (in lieu of the deduction allowed by section 170(a), relating to deduc-

tion for charitable, etc., contributions and gifts) any amount of the gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, paid for a purpose specified in section 170(c) (determined without regard to section 170(c)(2)(A)). If a charitable contribution is paid after the close of such taxable year and on or before the last day of the year following the close of such taxable year, then the trustee or administrator may elect to treat such contribution as paid during such taxable year. The election shall be made at such time and in such manner as the Secretary or his delegate prescribes by regulations.

(2) *Amounts permanently set aside.* In the case of an estate and in the case of a trust (other than a trust meeting the specifications of subpart B) required by the terms of its governing instrument to set aside amounts which was—

(A) *Created on or before October 9, 1969, if—*

(i) An irrevocable remainder interest is transferred to or for the use of an organization described in section 170(c), or

(ii) The grantor is at all times after October 9, 1969, under a mental disability to change the terms of the trust; or

(B) *Establish by a will executed on or before October 9, 1969, if—*

(i) The testator dies before October 9, 1972, without having republished the will after October 9, 1969, by codicil or otherwise,

(ii) The testator at no time after October 9, 1969, had the right to change the portions of the will which pertain to the trust, or

(iii) The will is not republished by codicil or otherwise before October 9, 1972, and the testator is on such date and at all times thereafter under a mental disability to republish the will by codicil or otherwise,

there shall also be allowed as a deduction in computing its taxable income any amount of the gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, permanently set aside for a purpose specified in section 170(c), or is to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or for the establishment, acquisition, maintenance, or operation of a public cemetery not operated for profit. In the case of a trust, the preceding sentence shall apply only to gross income earned with respect to amounts transferred to the trust before October 9, 1969, or transferred under a will to which subparagraph (B) applies.

(3) *Pooled income funds.* In the case of a pooled income fund (as defined in paragraph (5)), there shall also be allowed as a deduction in computing its taxable income any amount of the gross income attributable to gain from the sale of a capital asset held for more than 6 months, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, permanently set aside for a purpose specified in section 170(c).

(4) *Adjustments.* To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 6 months, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1202 (re-

lating to deduction for excess of capital gains over capital losses). In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income).

(5) *Definition of pooled income fund.* For purposes of paragraph (3), a pooled income fund is a trust—

(A) To which each donor transfers property, contributing an irrevocable remainder interest in such property to or for the use of an organization described in section 170(b)(1)(A) (other than in clauses (vii) or (viii)), and retaining an income interest for the life of one or more beneficiaries (living at the time of such transfer),

(B) In which the property transferred by each donor is commingled with property transferred by other donors who have made or make similar transfers,

(C) Which cannot have investments in securities which are exempt from the taxes imposed by this subtitle,

(D) Which includes only amounts received from transfers which meet the requirements of this paragraph,

(E) Which is maintained by the organization to which the remainder interest is contributed and of which no donor or beneficiary of an income interest is a trustee, and

(F) From which each beneficiary of an income interest receives income, for each year for which he is entitled to receive the income interest referred to in subparagraph (A), determined by the rate of return earned by the trust for such year.

For purposes of determining the amount of any charitable contribution allowable by reason of a transfer of property to a pooled fund, the value of the income interest shall be determined on the basis of the highest rate of return earned by the fund for any of the 3 taxable years immediately preceding the taxable year of the fund in which the transfer is made. In the case of funds in existence less than 3 taxable years preceding the taxable year of the fund in which a transfer is made, the rate of return shall be deemed to be 6 percent per annum, except that the Secretary or his delegate may prescribe a different rate of return.

(6) *Taxable private foundations.* In the case of a private foundation which is not exempt from taxation under section 501(a) for the taxable year, the provisions of this subsection shall not apply and the provisions of section 170 shall apply.

* * * * *

[Sec. 642(c) as amended by sec. 201(b), Tax Reform Act 1969 (83 Stat. 558)]

PAR. 2. Immediately after § 1.642(c)-4 the following new sections are inserted:

§ 1.642(c)-5 **Definition of pooled income fund.**

(a) *In general—(1) Application of provisions.* Section 642(c)(5) prescribes certain rules for the valuation of contributions involving transfers to certain funds described in that section as pooled income funds. This section sets forth the requirements for qualifying as a pooled income fund and provides for the manner of allocating the income of the fund to the beneficiaries. Section 1.642(c)-6 provides for the valuation of a remainder interest in property transferred to a

pooled income fund. § 1.642(c)-7 provides transitional rules under which certain funds may be amended so as to qualify as pooled income funds in respect to transfers of property occurring after July 31, 1969.

(2) *Tax status of fund and its beneficiaries.* Notwithstanding any other provision of this chapter, a fund which meets the requirements of a pooled income fund, as defined in section 642(c)(5) and paragraph (b) of this section, shall not be treated as an association within the meaning of section 7701(a)(3). Such a fund, which need not be a trust under local law, and its beneficiaries shall be taxable under part I, subchapter J, chapter 1 of the Code, but the provisions of subpart E (relating to grantors and others treated as substantial owners) of such part shall not apply to such fund.

(3) *Recognition of gain or loss on transfer to fund.* No gain or loss shall be recognized to the donor on the transfer of property to a pooled income fund. In such case, the fund's basis and holding period with respect to property transferred to the fund by a donor shall be determined as provided in sections 1015(b) and 1223(2). If, however, a donor transfers property to a pooled income fund and, in addition to creating or retaining a life income interest therein, receives property from the fund, or transfers property to the fund which is subject to an indebtedness, this subparagraph shall not apply to the gain realized by reason of (i) the receipt of such property or (ii) the amount of such indebtedness, whether or not assumed by the pooled income fund, which is required to be treated as an amount realized on the transfer. For applicability of the bargain sale rules, see section 1011(b) and the regulations thereunder.

(4) *Charitable contributions deduction.* A charitable contributions deduction for the value of the remainder interest, as determined under § 1.642(c)-6, may be allowed under section 170, 2055, 2106, or 2522, where there is a transfer of property to a pooled income fund. For a special rule relating to the reduction of the amount of a charitable contribution of certain ordinary income property or capital gain property, see section 170(e)(1)(A) or (B)(i) and the regulations thereunder.

(5) *Definitions.* For purposes of this section, § 1.642(c)-6, and § 1.642(c)-7—

(i) The term "income" has the same meaning as it does under section 643(b) and the regulations thereunder.

(ii) The term "donor" includes a decedent who makes a testamentary transfer of property to a pooled income fund.

(iii) The term "governing instrument" means either the governing plan under which the pooled income fund is established and administered or the instrument of transfer, as the context requires.

(iv) The term "public charity" means an organization described in clause (i) to (vi) of section 170(b)(1)(A). If an organization is described in clause (i) to (vi) of section 170(b)(1)(A) and is

also described in clause (viii) of such section, it shall be treated as a public charity.

(v) The term "fair market value", when used with respect to property, means its value in excess of the indebtedness or charges against such property.

(vi) The term "determination date" means each day within the taxable year of a pooled income fund on which a valuation is made of the property in the fund. The property in the fund shall be valued on the first day of the taxable year of the fund and on at least 3 other days within the taxable year. The period between any two consecutive determination dates within the taxable year shall not be greater than 3 calendar months. In the case of a taxable year of less than 12 months, the property in the fund shall be valued on the first day of such taxable year and on such other days within such year as occur at successive intervals of no greater than 3 calendar months.

(6) *Cross references.* (i) See section 4947(a)(2) and section 4947(b)(3)(B) for the application to pooled income funds of the provisions relating to private foundations and section 508(e) for rules relating to provisions required in the governing instrument prohibiting certain activities specified in section 4947(a)(2).

(ii) For rules for postponing the time for deduction of a charitable contribution of a future interest in tangible personal property, see section 170(a)(3) and the regulations thereunder.

(b) *Requirements for qualification as a pooled income fund.* A pooled income fund to which this section applies must satisfy all of the following requirements:

(1) *Contribution of remainder interest to charity.* Each donor must transfer property to the fund and contribute an irrevocable remainder interest in such property to or for the use of a public charity, retaining for himself, or creating for another beneficiary or beneficiaries, a life income interest in the transferred property. A contingent remainder interest shall not be treated as an irrevocable remainder interest for purposes of this subparagraph.

(2) *Creation of life income interest.* Each donor must retain for himself for life an income interest in the property transferred to such fund, or create an income interest in such property for the life of one or more beneficiaries, each of whom must be living at the time of the transfer of the property to the fund by the donor. The term "one or more beneficiaries" includes those members of a named class who are alive and can be ascertained at the time of the transfer of the property to the fund. In the event more than one beneficiary of the income interest is designated, such beneficiaries may enjoy their shares of income concurrently, consecutively, or both concurrently and consecutively. The donor may retain the power exercisable only by will to revoke or terminate the income interest of any designated beneficiary other than the public charity. The governing instrument must specify at the time of

the transfer the particular beneficiary or beneficiaries to whom the income is payable and the share of income distributable to each person so specified. The public charity to or for the use of which the remainder interest is contributed may also be designated as one of the beneficiaries of an income interest. The donor need not retain or create a life interest in all the income from the property transferred to the fund provided any income not payable under the terms of the governing instrument to an income beneficiary is contributed to, and within the taxable year in which it is received is paid to, the same public charity to or for the use of which the remainder interest is contributed. No charitable contributions deduction shall be allowed to the donor for the value of such income interest of the public charity or for the amount of any such income paid to such organization.

(3) *Commingling of property required.* The property transferred to the fund by each donor must be commingled with, and invested or reinvested with, other property transferred to the fund by other donors satisfying the requirements of subparagraphs (1) and (2) of this paragraph. The governing instrument of the pooled income fund must contain a provision requiring compliance with the preceding sentence. The public charity to or for the use of which the remainder interest is contributed may maintain more than one pooled income fund, provided that each such fund is maintained by the organization and is not a device to permit a group of donors to create a fund which may be subject to their manipulation. The fund must not include property transferred under arrangements other than those specified in section 642(c)(5) and this paragraph. However, a fund shall not be disqualified as a pooled income fund under this paragraph because any portion of its properties is invested or reinvested jointly with other properties, not a part of the pooled income fund, which are held by, or for the use of, the public charity which maintains the fund, as for example, with securities in the general endowment fund of the public charity to or for the use of which the remainder interest is contributed. Where such joint investment or reinvestment of properties occurs, records must be maintained which sufficiently identify the portion of the total fund which is owned by the pooled income fund and the income earned by, and attributable to, such portion. Such a joint investment or reinvestment of properties shall not be treated as an association or partnership for purposes of the Code. A bank which serves as trustee of more than one pooled income fund may maintain a common trust fund to which section 584 applies for the collective investment and reinvestment of moneys of such funds.

(4) *Prohibition against exempt securities.* The property transferred to the fund by any donor must not include any securities, the income from which is exempt from tax under subtitle A of the Code, and the fund must not invest in such

securities. The governing instrument of the fund must contain specific prohibitions against accepting or investing in such securities.

(5) *Maintenance by charitable organization required.* The fund must be maintained by the same public charity to or for the use of which the irrevocable remainder interest is contributed. The requirement of maintenance will be satisfied where the public charity exercises control directly or indirectly over the fund. For example, this requirement of control shall ordinarily be met when the public charity has the power to remove the trustee or trustees of the fund and designate a new trustee or trustees. A national organization which carries out its purposes through local organizations, chapters, or auxiliary bodies with which it has an identity of aims and purposes may maintain a pooled income fund (otherwise satisfying the requirements of this paragraph) in which one or more local organizations, chapters, or auxiliary bodies which are public charities have been named as recipients of the remainder interests. For example, a national church body may maintain a pooled income fund where donors have transferred property to such fund and contributed an irrevocable remainder which are ordinarily exercised by a interest therein to or for the use of various local churches or educational institutions of such body. The fact that such local organizations or chapters have been separately incorporated from the national organization is immaterial.

(6) *Prohibition against donor or beneficiary serving as trustee.* The fund must not have, and the governing instrument must prohibit the fund from having, as a trustee a donor to the fund or a beneficiary (other than the public charity to or for the use of which the remainder interest is contributed) of an income interest in any property transferred to such fund. Thus, if a donor or beneficiary (other than such public charity) directly or indirectly has general responsibilities with respect to the fund trustee, such fund does not meet the requirements of section 642(c)(5) and this paragraph. The fact that a donor of property to the fund, or a beneficiary of the fund, is a trustee, officer, director, or other official of the public charity to or for the use of which the remainder interest is contributed ordinarily will not prevent the fund from meeting the requirements of section 642(c)(5) and this paragraph.

(7) *Income of beneficiary to be based on rate of return of fund.* Each beneficiary entitled to income of any taxable year of the fund must receive such income in an amount determined by the rate of return earned by the fund for such taxable year with respect to his income interest, computed as provided in paragraph (c) of this section. The governing instrument of the fund shall direct the trustee to distribute income currently or within the first 65 days following the close of the taxable year in which the income is earned. Any such payment made after the close of the taxable year

shall be treated as paid on the last day of the taxable year. A statement shall be attached to the return of the pooled income fund indicating the date and amount of such payments after the close of the taxable year. Subject to the provisions of part I, subchapter J, chapter 1 of the Code, the beneficiary shall include in his gross income all amounts properly paid, credited, or required to be distributed to the beneficiary during the taxable year or years of the fund ending within or with his taxable year. The governing instrument shall provide that the income interest of any designated beneficiary shall either terminate with the last regular payment which was made before the death of the beneficiary or be prorated to the date of his death.

(8) *Termination of life income interest.* Upon the termination of the income interest retained or created by any donor, the trustee shall sever from the fund an amount equal to the value of the remainder interest in the property upon which the income interest is based. The value of the remainder interest for such purpose shall be its value as of the determination date next succeeding the termination of the income interest. The amount so severed from the fund must either be paid to, or retained for the use of, the designated public charity, as provided in the governing instrument. However, see subparagraph (3) of this paragraph for rules relating to commingling of property.

(c) *Allocation of income to beneficiary.*—(1) *In general.* Every income interest retained or created in property transferred to a pooled income fund shall be assigned a proportionate share of the annual income earned by the fund, such share, or unit of participation, being based on the fair market value of such property on the date of transfer, as provided in this paragraph.

(2) *Units of participation.*—(1) *Unit plan.* (a) On each transfer of property by a donor to a pooled income fund, one or more units of participation in the fund shall be assigned to the beneficiary or beneficiaries of the income interest retained or created in such property, the number of units of participation being equal to the number obtained by dividing the fair market value of the property by the fair market value of a unit in the fund at the time of the transfer.

(b) The fair market value of a unit in the fund at the time of the transfer shall be determined by dividing the fair market value of all property in the fund at such time by the number of units then in the fund. The initial fair market value of a unit in a pooled income fund shall be the fair market value of the property transferred to the fund divided by the number of units assigned to the income interest in that property. The value of each unit of participation will fluctuate with each new transfer of property to the fund in relation to the appreciation or depreciation in the fair market value of the property in the fund, but all units in the fund will always have equal value.

(c) The share of income allocated to each unit of participation shall be

determined by dividing the income of the fund for the taxable year by the outstanding number of units in the fund at the end of such year, except that, consistently with paragraph (b)(7) of this section, income shall be allocated to units outstanding during only part of such year by taking into consideration the period of time such units are outstanding. For this purpose the actual income of such part of the taxable year, or a prorated portion of the annual income, may be used, after making such adjustments as are reasonably necessary to reflect fluctuations during the year in the fair market value of the property in the fund.

(ii) *Other plans.* The governing instrument of the fund may provide any other reasonable method not described in subdivision (i) of this subparagraph for assigning units of participation in the fund and allocating income to such units which reaches a result reasonably consistent with the provisions of such subdivision.

(iii) *Transfers between determination dates.* For purposes of subdivisions (i) and (ii) of this subparagraph, if a transfer of property to the fund by a donor occurs on other than a determination date, the number of units of participation assigned to the income interest in such property may be determined by using the fair market value of the property in the fund on the determination date immediately preceding the date of transfer (determined without regard to the property so transferred), subject, however, to appropriate adjustments on the next succeeding determination date. Such adjustments may be made by any reasonable method, including the use of a method whereby the average fair market value of the property in the fund at the time of the transfer is obtained by reference to the fair market values of the property in the fund on the determination dates immediately preceding and succeeding the date of transfer. The application of this subdivision may be illustrated by the following example:

Example. The determination dates of a pooled income fund are the first day of each calendar month. On April 1, 1971, the fair market value of the property in the fund is \$100,000, at which time 1,000 units of participation are outstanding with a value of \$100 each. On April 15, 1971, B transfers property with a fair market value of \$50,000 to the fund, retaining for himself for life an income interest in such property. On May 1, 1971, the fair market value of the property in the fund, including the property transferred by B, is \$160,000. The average of the fair market values of the property in the fund (excluding the property transferred by B) on April 1 and May 1, 1971, is \$105,000 ($\$100,000 + [\$160,000 - \$50,000] \div 2$). Accordingly, the fair market value of a unit of participation in the fund on April 15, 1971, at the time of B's transfer is \$1,050 ($\$105,000 / 1,000 \text{ units}$), and B is assigned 467 units of participation in the fund ($\$50,000 / \$1,050$).

(3) *Special rule for partial allocation of income to charity.* Notwithstanding subparagraph (2) of this paragraph, the governing instrument may provide that a unit of participation is entitled to

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share in the income of the fund in a lesser amount than would otherwise be determined under such subparagraph, provided that the income otherwise allocable to the unit under such subparagraph is paid within the taxable year in which it is received to the public charity to or for the use of which the remainder interest is contributed under the governing instrument.

(4) *Illustrations.* The application of this paragraph may be illustrated by the following examples:

Example (1). On July 1, 1970, A and B transfer separate properties with a fair market value of \$20,000 and \$10,000, respectively, to a newly created pooled income fund which is maintained by Y University and uses as its taxable year the fiscal year ending June 30. A and B each retain in themselves for life an income interest in such property, the remainder interest being contributed to Y University. The pooled income fund assigns an initial value of \$100 to each unit of participation in the fund, and under the governing instruments A receives 200 units, and B receives 100 units, in the fund. On October 1, 1970, which is a determination date, C transfers property to the fund with a fair market value of \$12,000, retaining in himself for life an income interest in such property and contributing the remainder interest to Y University. The fair market value of the property in the fund at the time of C's transfer is \$36,000. The fair market value of A's and B's units at the time of such transfer is \$120 each ($\$36,000/300$). By reason of his transfer of property C is assigned 100 units of participation in the fund ($\$12,000/\120).

Example (2). Assume that the pooled income fund in example (1) earns \$2,600 for its taxable year ending June 30, 1971, and there are no further contributions of property to the fund in such year. Further assume \$300 is earned in the first quarter ending September 30, 1970. Therefore, the fund earns \$1 per unit for the first quarter ($\$300$ divided by 300 units outstanding) and \$5.75 per unit for the remainder of the taxable year ($(\$2,600 - \$300)$ divided by 400 units outstanding). If the fund distributes its income for the year based on its actual earnings per quarter, the income must be distributed as follows:

Beneficiary	Share of income
A	\$1,350 ($[200 \times \$1] + [200 \times \$5.75]$)
B	\$675 ($[100 \times \$1] + [100 \times \$5.75]$)
C	\$575 ($100 \times \5.75)

Example (3). (a) On July 1, 1970, A and B transfer separate properties with a fair market value of \$10,000 and \$20,000, respectively, to a newly created pooled income fund which is maintained by X University and uses as its taxable year the fiscal year ending June 30. A and B each retain in themselves an income interest for life in such property, the remainder interest being contributed to X University. The governing instrument provides that each unit of participation in the fund shall have a value of not more than its initial fair market value; the instrument also provides that the income allocable to appreciation in the fair market value of such unit (to the extent in excess of its initial fair market value) at the end of each quarter of the fiscal year is On October 1, 1970, which is a determination date, C contributes to the fund property with a fair market value of \$60,000 and retains in himself an income interest for life in such property, the remainder interest being contributed to X University. The ini-

tial fair market value of the units assigned to A, B, and C is \$100. A, B, and C's units of participation are as follows:

Beneficiary	Units of participation
A	100 (\$10,000 divided by \$100)
B	200 (\$20,000 divided by \$100)
C	600 (\$60,000 divided by \$100)

(b) The fair market value of the property in the fund at the time of C's contribution is \$40,000. Assuming the fair market value of the property in the fund is \$100,000 on December 31, 1970, and that the income of the fund for the second quarter ending December 31, 1970, is \$2,000, the income is shared by the income beneficiaries and X University as follows:

Beneficiary	Allocation of income
A, B, and C	90% (\$90,000 divided by \$100,000)
X University	10% (\$10,000 divided by \$100,000)

(c) For the quarter ending December 31, 1970, each unit of participation is allocated $\$2$ (90 percent $\times \$2,000$ divided by 900) of the income earned for that quarter. A, B, C, and X University share in the income as follows:

Beneficiary	Share of income
A	\$200 ($100 \times \2)
B	\$400 ($200 \times \2)
C	\$1,200 ($600 \times \2)
X University	\$200 ($10 \times \$2,000$)

(d) *Effective date.* Section 642(c)(5) and this section apply to transfers in trust made after July 31, 1969.

§ 1.642(c)-6 Valuation of a remainder interest in property transferred to a pooled income fund.

(a) *In general.* (1) For purposes of sections 170, 2055, 2106, and 2522 the fair market value of a remainder interest in property transferred after July 31, 1969, to a pooled income fund to which § 1.642(c)-5 applies is its present value determined under this section. The present value of the remainder interest at the time of the transfer of property to the fund shall be determined by computing the present value at such time of the life income interest in the transferred property (as determined under paragraph (b) of this section) and subtracting such value from the fair market value of the transferred property on the appropriate valuation date. The fact that the income beneficiary of the income interest in such property may not receive the last income payment, as provided in paragraph (b)(7) of § 1.642(c)-5, shall not be taken into account for purposes of determining the present value of the life income interest. For purposes of this section, the term "appropriate valuation date" means the date on which property is transferred to the fund by the donor except that, for purposes of section 2055 or 2106, it means the alternate valuation date if it is elected in accordance with section 2032 and the regulations thereunder.

(2) The method for determining the present value of a remainder interest in property transferred to a pooled income fund where such value is dependent on the termination of one life is set forth

in paragraph (d) of this section. If the computation of the value of the remainder interest requires the use of a factor which is not provided in paragraph (d) of this section, the Commissioner may, if conditions permit, supply the factor upon request. The request must be accompanied by a statement of the pooled income fund's yearly rate of return and of the date of birth and sex of each individual the duration of whose life may affect the value of the remainder interest and by copies of the relevant instruments. If the Commissioner furnishes the factor, a copy of the letter supplying the factor shall be attached to the tax return in which the deduction is claimed. If the Commissioner does not furnish the factor, the taxpayer must furnish a factor computed in accordance with the principles set forth in this section. Many special factors involving the valuation of an income interest dependent upon the continuation or termination of more than one life may be found in, or computed with the use of the tables contained in, the publications entitled "Actuarial Values I: Valuation of Last Survivor Charitable Remainders" and "Actuarial Values II: Factors at 6 Percent Involving One and Two Lives." These publications may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Any claim for deduction in any return for the value of a remainder interest in property transferred to a pooled income fund must be supported by a statement attached to the return showing the computation of the present value of such interest.

(b) *Present value of life income interest.* The present value of the life income interest in property transferred to a pooled income fund shall be computed on the basis of—

(1) Life contingencies determined, as to each male and female life involved, from the values of l_x that are set forth in columns (2) and (3), respectively, of table LN of paragraph (f) of § 20.2031-10 of this chapter (Estate Tax Regulations), and

(2) Discount at a rate of interest compounded annually, equal to the highest yearly rate of return of the pooled income fund for the 3 taxable years immediately preceding its taxable year in which the transfer of property to the fund is made. For purposes of this subparagraph, the first taxable year of a pooled income fund shall be considered a taxable year even though such taxable year consists of less than 12 months. However, appropriate adjustments shall be made to annualize the rate of return earned by the fund for such period. Where it appears from the facts and circumstances that the highest yearly rate of return for the 3 taxable years immediately preceding the taxable year in which the transfer of property is made has been purposely arranged to be substantially incommensurate with the reasonably anticipated earnings of the fund with the objective of obtaining an excessive charitable contributions deduction, such rate of return shall not be used. In such a case the highest yearly

rate of return of the fund shall be determined by treating the fund as a pooled income fund which has been in existence for less than 3 preceding taxable years. If a pooled income fund has been in existence less than 3 taxable years immediately preceding the taxable year in which the transfer of property to the fund is made, the highest yearly rate of return shall be deemed to be 6 percent. For purposes of this subparagraph the yearly rate of return of a pooled income fund shall be determined as provided in paragraph (c) of this section unless the highest yearly rate of return is deemed to be 6 percent.

(c) *Computation of pooled income fund's yearly rate of return.* (1) For purposes of paragraph (b) of this section, the yearly rate of return earned by a pooled income fund for a taxable year shall be that percentage obtained by dividing the amount of income earned by the pooled income fund for such taxable year by an amount equal to (i) the average fair market value for such taxable year of the property in such fund less (ii) the corrective term adjustment.

(2) The average fair market value of the property in a pooled income fund for a taxable year shall be the sum of the amounts of the fair market value of all property held by the pooled income fund on each determination date, as defined in paragraph (a) (5) (vi) of § 1.642(c)-5, of such taxable year divided by the number of determination dates in such taxable year. For such purposes the fair market value of property held by the fund shall be determined without including any income earned by the fund.

(3) (i) The corrective term adjustment shall be the sum of the products obtained by multiplying each income payment made by the pooled income fund within its taxable year by the percentage set forth in column (2) of the following table opposite the period within such year, set forth in column (1), which includes the date on which that payment is made:

TABLE

(1)	(2)
Payment period	Percentage of payment
Last week of 4th quarter	0
Balance of 4th quarter	25
Last week of 3d quarter	25
Balance of 3d quarter	50
Last week of 2d quarter	50
Balance of 2d quarter	75
Last week of 1st quarter	75
Balance of 1st quarter	100

(ii) If the taxable year of the fund consists of less than 12 months, the corrective term adjustment shall be the sum of the products obtained by multiplying each income payment made by the pooled income fund within such taxable year by the percentage obtained by subtracting from 1 a fraction the numerator of which is the number of days from the first day of such taxable year to the date of such income payment and the denominator of which is 365.

(4) A pooled income fund's method of calculating its yearly rate of return must

be supported by a full statement attached to the income tax return of the pooled income fund for each taxable year.

(5) The application of this paragraph may be illustrated by the following examples:

Example (1). (a) The pooled income fund maintained by W University has established determination dates on the first day of each calendar quarter. The pooled income fund is on a calendar-year basis. The pooled income fund earned \$5,000 of income during 1971. The fair market value of its property (determined without including any income earned by the fund), and the income paid out, on the first day of each calendar quarter in 1971 are as follows:

Date	Fair market value of property	Income payment
Jan. 1	\$100,000	\$1,200
Apr. 1	105,000	1,200
July 1	95,000	1,200
Oct. 1	100,000	1,400
	400,000	5,000

(b) The average fair market value of the property in the fund for 1971 is \$100,000 (\$400,000, divided by 4).

(c) The corrective term adjustment for 1971 is \$3,050, determined by applying the percentages obtained in column (2) of the table in subparagraph (3) of this paragraph:

Multiplication	Product
100% × \$1,200	\$1,200
75% × \$1,200	900
50% × \$1,200	600
25% × \$1,400	350
Sum of products	3,050

(d) The pooled income fund's yearly rate of return for 1971 is 5.157 percent, determined as follows:

$$\frac{\$5,000}{\$100,000 - \$3,050} = 0.05157$$

Example (2). (a) The pooled income fund maintained by X University has established determination dates on the first day of each calendar quarter. The pooled income fund is on a calendar-year basis. The pooled income fund earned \$5,000 of income during 1971 and paid out \$8,000 on December 15, 1971, and \$2,000 on January 15, 1972, the last amount being treated under paragraph (b) (7) of § 1.642(c)-5 as paid on December 31, 1971. The fair market value of its property (determined without including any income earned by the fund) on the determination dates in 1971 and the income paid out during 1971 are as follows:

Date	Fair market value of property	Income payment
Jan. 1	\$125,000	
Apr. 1	125,000	
July 1	75,000	
Oct. 1	75,000	
Dec. 15		\$3,000
Dec. 31		2,000
	400,000	5,000

(b) The average fair market value of the property in the fund for 1971 is \$100,000 (\$400,000 divided by 4).

(c) The corrective term adjustment for 1971 is \$750, determined by applying the percentages obtained in column (2) of the table in subparagraph (3) of this paragraph:

Multiplication	Product
0% × \$2,000	\$0
25% × \$3,000	750

Sum of products 750

(d) The pooled income fund's yearly rate of return for 1971 is 5.038 percent, determined as follows:

$$\frac{\$5,000}{\$100,000 - \$750} = 0.05038$$

(d) *Present value of remainder interest dependent on the termination of one life—(1) In general.* The present value under this section of a remainder interest which is dependent on the termination of the life of one individual shall be determined under this paragraph. The present value of such a remainder interest shall be computed by the use of Table G(1) or Table G(2) in subparagraph (3) of this paragraph. Table G(1) is to be used when the individual upon whose life the present value of the remainder interest is based is a male, and Table G(2) is to be used when the individual upon whose life the present value of the remainder interest is based is a female whose age is less than 95 years. In the case of a female whose age is more than 94 years, Table G(1) is to be used. The factors in these tables have been obtained by subtracting from 1 the factor for determining the present value of the life income interest. For purposes of the computations under this section, the age of an individual is to be taken as the age of that individual at his nearest birthday.

(2) *Computation of value of remainder interest.* The factor which is used in determining the present value of the remainder interest is the factor under the appropriate yearly rate of return in column (2) of Table G(1) or Table G(2) opposite the number in column (1) which corresponds to the age of the individual upon whose life the value of the remainder interest is based. If the yearly rate of return is a percentage which is between yearly rates of return for which factors are provided in Table G(1) or Table G(2), a linear interpolation must be made. The present value of the remainder interest is determined by multiplying, by the factor determined under this subparagraph, the fair market value on the appropriate valuation date. If the yearly rate of return is below 2.2 percent or above 8 percent, see paragraph (a) (2) of this section. The application of this subparagraph may be illustrated by the following example:

Example. M, a male who will be 50 years old on April 15, 1970, transfers \$100,000 to a pooled income fund on January 1, 1970, and retains in himself a life income interest in such property. The highest yearly rate of return earned by the fund for its 3 preceding taxable years is 4.717 percent. In table G(1) the figure in column (2) opposite 50 years under 4.6 percent is 0.40087 and under 4.8 percent is 0.38764. The present value of the remainder interest is \$39,313, computed as follows:

Factor at 4.6 percent for male aged 50	0.40087
Factor at 4.8 percent for male aged 50	0.38764
Difference	.01323

RULES AND REGULATIONS

Interpolation adjustment:

$$4.717\% - 4.6\% = x$$

$$0.2\% = 0.01323$$

$$x = 0.00774$$

Factor at 4.6 percent for male aged

50 0.40087

Less: Interpolation adjustment 0.00774

Interpolated factor 39313

Present value of remainder interest

(\$100,000 \times 0.39313) \$39,313

(3) *Actuarial tables.* The following tables, which show the factor obtained by subtracting from 1 the factor for determining the present value of the life income interest dependent on the termination of the life of one individual, shall be used in the application of the provisions of this section:

TABLE G(1)

TABLE, SINGLE LIFE, MALE, SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST IN PROPERTY TRANSFERRED TO A POOLED INCOME FUND HAVING THE YEARLY RATE OF RETURN SHOWN

Age	(1) (2) Yearly rate of return				
	2.2%	2.4%	2.6%	2.8%	3%
0	.26256	.2362	.21314	.19296	.17526
1	.24606	.21876	.19485	.17389	.15548
2	.23009	.22288	.19844	.17724	.15859
3	.22473	.22702	.20267	.18125	.16238
4	.21966	.23178	.20723	.18559	.16649
5	.21483	.23677	.21203	.19018	.17087
6	.21017	.24195	.21702	.19497	.17545
7	.20588	.2473	.22219	.19944	.18021
8	.20184	.25282	.22753	.20509	.18516
9	.19816	.2585	.23305	.21043	.19029
10	.19434	.26436	.23875	.21589	.19562
11	.19098	.27038	.24462	.22165	.20114
12	.18755	.27654	.25068	.22751	.20681
13	.18439	.28282	.25678	.23349	.21261
14	.18136	.28815	.26299	.23954	.21849
15	.17843	.29553	.26925	.24565	.22443
16	.17561	.30104	.27554	.25179	.23041
17	.17294	.30839	.28187	.25798	.23643
18	.17044	.31487	.28825	.26422	.24251
19	.16810	.32143	.29471	.27055	.24868
20	.16582	.32808	.30126	.27697	.25494
21	.16365	.33481	.3079	.28349	.26133
22	.16156	.34163	.31465	.29012	.26782
23	.15956	.34868	.32154	.29691	.27446
24	.15761	.35573	.32862	.30389	.28134
25	.15578	.3631	.33503	.31113	.28846
26	.15404	.37066	.3435	.31863	.29588
27	.15234	.37852	.35131	.32638	.30353
28	.15062	.38655	.35935	.33438	.31146
29	.14900	.39479	.36761	.34262	.31964
30	.14737	.40321	.37605	.35106	.32803
31	.14574	.41121	.38469	.3597	.33664
32	.14415	.42065	.39352	.36855	.34547
33	.14255	.4293	.40254	.3776	.35452
34	.14100	.4386	.41174	.38686	.36379
35	.13949	.44787	.42113	.39631	.37327
36	.13802	.45728	.43068	.40595	.38293
37	.13655	.46728	.44039	.41577	.39283
38	.13510	.47654	.45026	.42575	.40289
39	.13367	.48637	.46027	.4359	.41313
40	.13224	.49629	.4704	.44618	.42352
41	.13082	.50632	.48064	.4556	.43406
42	.12940	.51642	.49099	.46713	.44473
43	.12800	.52661	.50143	.47777	.45553
44	.12660	.53687	.51195	.48851	.46644
45	.12523	.54719	.52256	.49938	.47748
46	.12384	.55757	.53324	.51029	.48861
47	.12246	.56343	.54399	.5213	.49085
48	.12109	.57345	.55477	.53235	.5114
49	.12074	.58387	.56553	.54341	.52244
50	.11940	.59324	.57625	.5544	.53373
51	.11807	.60337	.58691	.56541	.54498
52	.11675	.61318	.59752	.57634	.55618
53	.11544	.62306	.60808	.58724	.56737
54	.11414	.63266	.61804	.60816	.56839
55	.11284	.64232	.62892	.61806	.57858
56	.11154	.65202	.63977	.62892	.58802
57	.11025	.66173	.65035	.63907	.63977
58	.10896	.67135	.66089	.64191	.62327
59	.10766	.68086	.67134	.65276	.63492
60	.10637	.69036	.68166	.66349	.64602
61	.10508	.70027	.69184	.67408	.65699
62	.10378	.71086	.70188	.68454	.66783
63	.10249	.72032	.71178	.69487	.67855
64	.10120	.73033	.72157	.70508	.68916
65	.10000	.74022	.73125	.71519	.69966
66	.98790	.75011	.75024	.73056	.72034
67	.97579	.76006	.76056	.74062	.73035
68	.96363	.77043	.77056	.74482	.73052
69	.95143	.78031	.78079	.75455	.74062
70	.93923	.79218	.77794	.76741	.75004

TABLE G (1)—Continued

Age	(1) (2) Yearly rate of return				
	2.2%	2.4%	2.6%	2.8%	3%
71	.8149	.80076	.78701	.77363	.7606
72	.8228	.80926	.7976	.78308	.7705
73	.83078	.81768	.80491	.79246	.78032
74	.83856	.82599	.81372	.80174	.79005
75	.84624	.83418	.82241	.8109	.79966
76	.85379	.84226	.83068	.81996	.80917
77	.86124	.85023	.83945	.8289	.81858
78	.86854	.85804	.84776	.8377	.82783
79	.87564	.86566	.85587	.84627	.83686
80	.88249	.8737	.8637	.85457	.8456
81	.88907	.87996	.87112	.86243	.8539
82	.89501	.88645	.87804	.86977	.86164
83	.90065	.89251	.88451	.87664	.86889
84	.90606	.89833	.89072	.88323	.87586
85	.91143	.90411	.8969	.8898	.8828
86	.91659	.90967	.90285	.89612	.88949
87	.92155	.91502	.90857	.90221	.89594
88	.92629	.92012	.91404	.90803	.90211
89	.93072	.9249	.91916	.91349	.90789
90	.93475	.92926	.92383	.91846	.91317
91	.93938	.93318	.92803	.92295	.91792
92	.94165	.93671	.93182	.92699	.92221
93	.94457	.93986	.9352	.9306	.92604
94	.94717	.94267	.93822	.93382	.92946
95	.94954	.94523	.94097	.93675	.93237
96	.95184	.94772	.94365	.93961	.93561
97	.95403	.95009	.94619	.94232	.93849
98	.95611	.95234	.9488	.94449	.94124
99	.95808	.95447	.95009	.94736	.94355
100	.96098	.95651	.95309	.94969	.94633
101	.96175	.95845	.95517	.95192	.94847
102	.96348	.96032	.95718	.95407	.95099
103	.96517	.96214	.95915	.95617	.95322
104	.96687	.96399	.96114	.9583	.95548
105	.96871	.96568	.96328	.96059	.95702
106	.97002	.96838	.96585	.96334	.96085
107	.97401	.97173	.96947	.96721	.96497
108	.97919	.97735	.97552	.9737	.97189
109	.98324	.9828	.98733	.98638	.98544

TABLE G(1)

Age	(1) (2) Yearly rate of return				
	3.2%	3.4%	3.6%	3.8%	4%
0	.15973	.14608	.13407	.12348	.11414
1	.1393	.12506	.11252	.10145	.09167
2	.14218	.1277	.11493	.10364	.09365
3	.14573	.13103	.11804	.10654	.09634
4	.14962	.1347	.12149	.10977	.09938
5	.15378	.13864	.12521	.11328	.10268
6	.15814	.14278	.12913	.117	.10619
7	.16269	.14711	.13325	.1209	.10989
8	.16743	.15164	.13757	.12501	.11379
9	.17236	.15636	.14207	.1293	.11788
10	.17748	.16127	.14678	.13381	.12218
11	.1828	.16639	.15169	.13851	.12668
12	.18828	.17167	.15676	.14338	.13135
13	.19389	.17708	.16198	.1484	.13616
14	.19959	.18259	.16728	.1535	.14106
15	.20534	.18815	.17265	.15866	.14602
16	.21114	.19375	.17805	.16386	.15102
17	.21694	.19941	.18351	.16912	.15608
18	.22274	.20512	.18903	.17444	.1612
19	.22888	.21093	.19465	.17986	.16641
20	.23498	.21685	.20037	.18539	.17174
21	.2412	.22289	.20622	.19103	.17719
22	.24753	.22904	.21219	.19681	.18276
23	.25403	.23537	.21834	.20277	.18853
24	.26075	.24193	.22471	.20896	.19452
25	.26773	.24876	.23137	.21544	.20082
26	.275	.25589	.23834	.22224	.20744
27	.28256	.26331	.24562	.23294	.21437
28	.29039	.27101	.25318	.23675	.2216
29	.29848	.27899	.26102	.24445	.22914
30	.30679	.2872	.26911	.2524	.23604
31	.31534	.29566	.27746	.26062	.24502
32	.32412	.30436	.28606	.27891	.25336
33	.33314	.31331	.29492	.28778	.26199
34	.34238	.32251	.30404	.29687	.27079
35	.35186	.33194	.31341	.29616	.28008
36	.36154	.34161	.32303	.3057	.28953
37	.37144	.3515	.33288	.31549	.29224
38	.38155	.3616	.34296	.32553	.30922
39	.39184	.37192	.35327	.33581	.31943
40	.4023	.38241	.36378	.34629	.32988
41	.41292	.39309	.37447	.35698	.34053
42	.42369	.40393	.38584	.36785	.3514
43	.43481	.41492	.39639	.37892	.36246
44	.44566	.42607	.4076	.39017	.37372
45	.45684	.43736	.41897	.4016	.38518
46	.46814	.44879	.43049	.41319	.39681
47	.47956	.46035	.44217	.42494	.40862
48	.49104	.47199	.45394	.43681	.42055
49	.50258	.48368	.46576	.44875	.43257
50</					

TABLE G(1)—Continued

(1) Age	(2) Yearly rate of return				
	4.2%	4.4%	4.6%	4.8%	5%
35	.24725	.23354	.22077	.20888	.1978
36	.25603	.24217	.22926	.21721	.20596
37	.26509	.25111	.23805	.22585	.21445
38	.27443	.26082	.24714	.2348	.22323
39	.28405	.26983	.25652	.24405	.23236
40	.29393	.27962	.26619	.2536	.24177
41	.30408	.28967	.27614	.26344	.25149
42	.31446	.29997	.28635	.27354	.26148
43	.32507	.31052	.29681	.2839	.27174
44	.3359	.32129	.30752	.29462	.28226
45	.34694	.33229	.31846	.3054	.29305
46	.35819	.34352	.32964	.31651	.30409
47	.36965	.35495	.34104	.32787	.31388
48	.3813	.3666	.35267	.33946	.32692
49	.39314	.37846	.36451	.35124	.33871
50	.40512	.39046	.37653	.36328	.35068
51	.4172	.40258	.38866	.37542	.3628
52	.42033	.41476	.40087	.38764	.37502
53	.44148	.42697	.41313	.39901	.3873
54	.45367	.43923	.42544	.41226	.39966
55	.46591	.45155	.43782	.42469	.41212
56	.47824	.46398	.45032	.43725	.42472
57	.4907	.47655	.46208	.44998	.43751
58	.50328	.48926	.4758	.46288	.45048
59	.51599	.5021	.48877	.47595	.46363
60	.52876	.51503	.50182	.48912	.4769
61	.54151	.52795	.51489	.50231	.4902
62	.5542	.54082	.52791	.51547	.50348
63	.56681	.55361	.54087	.52857	.51671
64	.57933	.56632	.55376	.54162	.52989
65	.59178	.57897	.5666	.55462	.54304
66	.60418	.59157	.57939	.56759	.55617
67	.61649	.60412	.59214	.58053	.56928
68	.62875	.61662	.60485	.59344	.58236
69	.64095	.62906	.61751	.6063	.59542
70	.65308	.64145	.63014	.61914	.60845
71	.66519	.65581	.64275	.63197	.6215
72	.67728	.66617	.65535	.64482	.63456
73	.68933	.67855	.66798	.65769	.64767
74	.70141	.69088	.6806	.67058	.6608
75	.71345	.70322	.69323	.68348	.67395
76	.72543	.71552	.70583	.69636	.6871
77	.73735	.72775	.71837	.70919	.70021
78	.7492	.73993	.73086	.72198	.71329
79	.76097	.75205	.74331	.73473	.72634
80	.77263	.76045	.75564	.74739	.7393
81	.78407	.77584	.76776	.75983	.75205
82	.79518	.7873	.77955	.77195	.76448
83	.80577	.79822	.79081	.78352	.77635
84	.81568	.80846	.80135	.79437	.78749
85	.82499	.81807	.81126	.80456	.79799
86	.83396	.82734	.82083	.8144	.80808
87	.84295	.83664	.83042	.8243	.81826
88	.85164	.84563	.83971	.83387	.82811
89	.86005	.85544	.84871	.84316	.83768
90	.86813	.86272	.85737	.85209	.84689
91	.87573	.87059	.86552	.86051	.85557
92	.88268	.87778	.87298	.86823	.86352
93	.88986	.88432	.87974	.8752	.87072
94	.89463	.89021	.88583	.88151	.87723
95	.89971	.89548	.8913	.88716	.88306
96	.90424	.90019	.89618	.89221	.88827
97	.90838	.90448	.90063	.89681	.89303
98	.91241	.90688	.90498	.90131	.89768
99	.91626	.91268	.90912	.9056	.90211
100	.92341	.92011	.91683	.91359	.91037
101	.92674	.92357	.92042	.91731	.91422
102	.92992	.92688	.92386	.92086	.9179
103	.93288	.93006	.92717	.92420	.92144
104	.93598	.93219	.93041	.92765	.92492
105	.93902	.93634	.93369	.93105	.92843
106	.94228	.93974	.93721	.93471	.93222
107	.94622	.94383	.94147	.93911	.93678
108	.95178	.94963	.94749	.94536	.94324
109	.96121	.95946	.95772	.95598	.95426
110	.97985	.97893	.97801	.9771	.97619

TABLE G(1)—Continued

(1) Age	(2) Yearly rate of return				
	5.2%	5.4%	5.6%	5.8%	6%
10	.07335	.06777	.06273	.05816	.05402
11	.07675	.07102	.06582	.06111	.05684
12	.08032	.07442	.06908	.06423	.05981
13	.08403	.07797	.07247	.06747	.06292
14	.08781	.08159	.07594	.07079	.06609
15	.09165	.08526	.07945	.07415	.06931
16	.09551	.08896	.0829	.07753	.07254
17	.09943	.0927	.08656	.08095	.07581
18	.10328	.09649	.09018	.08441	.07911
19	.10744	.10036	.09388	.08794	.08249
20	.11159	.10433	.09768	.09158	.08597
21	.11586	.10842	.10189	.09531	.08954
22	.12025	.11262	.10561	.09916	.09322
23	.12482	.11701	.10882	.10319	.09708
24	.12963	.12164	.11426	.10745	.10116
25	.13476	.12657	.11901	.11202	.10555
26	.14022	.13184	.1241	.11693	.11028
27	.14602	.13746	.12952	.12217	.11535
28	.15215	.1434	.13528	.12774	.12075
29	.15861	.14967	.14137	.13368	.12047
30	.16535	.15623	.14774	.13985	.1325
31	.1724	.16311	.15444	.14633	.13883
32	.17977	.1703	.16145	.1532	.14549
33	.18745	.1778	.16879	.16036	.15248
34	.19546	.18563	.17445	.16785	.1598
35	.20378	.1938	.18444	.17568	.16745
36	.21242	.20228	.19277	.18384	.17545
37	.22139	.21109	.20142	.19233	.18378
38	.23066	.22029	.2104	.20116	.19245
39	.24024	.22966	.2197	.20301	.19246
40	.25011	.2394	.2293	.21977	.21077
41	.26026	.24942	.2392	.22953	.22024
42	.27067	.25973	.24933	.23959	.23033
43	.28137	.27031	.25985	.24994	.24056
44	.29129	.2818	.27061	.26059	.25109
45	.30354	.29231	.28165	.27153	.26192
46	.31502	.30372	.29298	.28277	.27305
47	.32676	.31539	.30458	.29429	.28448
48	.33865	.32727	.3164	.30603	.29615
49	.35078	.33932	.3284	.31707	.30802
50	.36298	.35149	.34052	.33004	.32003
51	.37526	.36375	.35274	.34222	.33215
52	.38762	.37609	.36507	.35451	.3444
53	.40009	.38856	.37752	.36694	.35658
54	.41271	.4012	.39016	.37957	.36694
55	.42554	.41405	.40302	.39242	.38224
56	.43856	.42711	.4161	.40553	.39534
57	.45178	.44038	.42941	.41885	.40869
58	.46513	.45379	.44287	.43235	.42222
59	.47852	.46726	.4564	.44593	.43583
60	.4919	.48073	.46995	.45954	.44948
61	.50524	.49417	.48347	.47313	.46313
62	.51855	.50758	.49698	.48672	.47679
63	.53183	.52098	.51048	.50031	.49046
64	.5451	.53438	.52399	.51392	.50415
65	.55836	.54778	.53751	.52755	.51788
66	.57161	.56117	.55104	.5412	.53164
67	.58484	.57456	.56457	.55486	.54542
68	.59606	.58795	.57811	.56854	.55923
69	.61129	.60136	.59169	.58228	.57311
70	.62457	.61483	.60533	.59608	.58706
71	.63789	.62835	.61905	.60997	.60111
72	.65125	.64193	.63282	.62394	.61526
73	.66464	.65554	.64666	.63798	.62949
74	.67804	.66919	.66052	.65205	.64376
75	.69141	.6828	.67438	.66613	.65608
76	.70476	.70642	.68825	.68023	.67239
77	.7181	.71003	.70211	.69435	.68673
78	.73135	.72356	.71592	.70841	.69705
79	.7444	.7366	.72953	.7223	.71519
80	.75713	.74902	.74283	.73587	.72902
81	.76931	.76238	.75556	.74886	.74227
82	.78073	.77407	.76752	.76107	.75473
83	.79146	.78507	.77877	.77256	.76646
84	.80185	.79571	.78986	.7837	.77783
85	.8123	.80643	.80063	.79492	.7893
86	.82243	.81862	.81129	.80583	.80045
87	.83226	.82692	.82165	.81644	.81133
88	.84174	.83666	.83164	.82668	.82178
89	.85067	.84584	.84107	.83635	.83169
90	.85887	.84527	.84972	.84523	.84078
91	.86628	.85619	.85756	.85237	.84903
92	.873	.8688	.86466	.86056	.85655
93	.87901	.87499	.87102	.86709	.86319
94	.88438	.88063	.87671	.87293	.86919
95	.88928	.88557	.88119	.87826	.87465
96	.89408	.89052	.88698	.88348	.88002
97	.89806	.89523	.89183	.88847	.88513
98	.90301	.89972	.89646	.89322	.89001
99	.90717	.90401	.90087	.89776	.89468
100	.91115	.90981	.90509	.9021	.89913
101	.91495	.91202	.90912	.90625	.90339
102	.91861	.9158	.91302	.91025	.90753
103	.9222	.9195	.91683	.91417	.91154
104	.92683	.92324	.92068	.91813	.91561
105	.92974	.92728	.92484	.92241	.9196
106	.93445	.93214	.92984	.92756	.92529
107	.94114	.93904	.93696	.93488	.93282
108	.95253	.95063	.94912	.94743	.94574
109	.95728	.95748	.95348	.95299	.9517

RULES AND REGULATIONS

TABLE G(1)—Continued

Age	Yearly rate of return				
	6.2%	6.4%	6.6%	6.8%	7%
102	.90478	.90208	.8994	.89673	.89409
103	.90892	.90632	.90374	.90118	.89863
104	.91309	.91026	.90813	.90567	.90323
105	.9176	.91523	.91286	.91051	.90818
106	.92303	.92079	.91857	.91636	.91416
107	.93078	.92878	.92671	.9247	.92269
108	.94406	.94239	.94073	.93908	.93743
109	.97081	.96993	.96905	.96816	.96729

TABLE G(1)

Age	Yearly rate of return				
	7.2%	7.4%	7.6%	7.8%	8%
0	.05077	.04937	.04809	.04693	.04588
1	.02498	.0235	.02215	.02094	.01983
2	.02494	.0234	.022	.02073	.01957
3	.02588	.02397	.02251	.02118	.01996
4	.02652	.02484	.02332	.02193	.02066
5	.02769	.02594	.02434	.02289	.02156
6	.02930	.02702	.02554	.02401	.02262
7	.03052	.02861	.02687	.02527	.02382
8	.03126	.03017	.02836	.02669	.02517
9	.03307	.0319	.03	.02826	.02666
10	.03595	.03379	.03181	.02999	.02833
11	.0381	.03585	.03379	.0319	.03015
12	.0404	.03806	.03591	.03393	.03211
13	.04282	.04038	.03814	.03608	.03418
14	.04524	.04274	.04042	.03827	.0363
15	.04777	.04513	.04271	.04048	.03842
16	.05026	.04752	.045	.04267	.04052
17	.05276	.04991	.04729	.04487	.04263
18	.05527	.05232	.04959	.04707	.04474
19	.05784	.05477	.05194	.04931	.04688
20	.06047	.05729	.05434	.05161	.04908
21	.06319	.05988	.05682	.05393	.05134
22	.06591	.06256	.05937	.05641	.05366
23	.06894	.06537	.06207	.05899	.05613
24	.07209	.0684	.06496	.06176	.05878
25	.07554	.07171	.06813	.06481	.0617
26	.07931	.07534	.07163	.06817	.06494
27	.08341	.07929	.07544	.07185	.06849
28	.08782	.08356	.07957	.07584	.07235
29	.09027	.08818	.08402	.08015	.07652
30	.0976	.09303	.08874	.08473	.08097
31	.10293	.09821	.09378	.08962	.08572
32	.10551	.10371	.09913	.09483	.09078
33	.11457	.10954	.10481	.10036	.09616
34	.1209	.11571	.11083	.10623	.10189
35	.12758	.12223	.11719	.11244	.10795
36	.1346	.1291	.12391	.11901	.11437
37	.14108	.13632	.13097	.12592	.12114
38	.1497	.14389	.1384	.13316	.12826
39	.15799	.15183	.14618	.14082	.13575
40	.1662	.16009	.15429	.14879	.14358
41	.17495	.1687	.16275	.15711	.15174
42	.18404	.17764	.17155	.16677	.16026
43	.19346	.18692	.18068	.17477	.16912
44	.20324	.19656	.19018	.18411	.17834
45	.21331	.20651	.20002	.19382	.1879
46	.22375	.21682	.2102	.20388	.19783
47	.23454	.22748	.22075	.2143	.20814
48	.24561	.23844	.23159	.22503	.21874
49	.25692	.24965	.24269	.23601	.22962
50	.26843	.26106	.25398	.24721	.2407
51	.28009	.27262	.26546	.25856	.25197
52	.29192	.28437	.2771	.27013	.26342
53	.30395	.29631	.28897	.2819	.2751
54	.31624	.30853	.3011	.29396	.28708
55	.32883	.32106	.31357	.30635	.29938
56	.34175	.33392	.32637	.31909	.31206
57	.35494	.34711	.33951	.33217	.32509
58	.36847	.36057	.35292	.34554	.3384
59	.3821	.37417	.36355	.35908	.3519
60	.39583	.38789	.3802	.37275	.36554
61	.40661	.40167	.39395	.38649	.37925
62	.42346	.41551	.4078	.40032	.39306
63	.43737	.42943	.42172	.41424	.40698
64	.45137	.44345	.43576	.42829	.42102
65	.46547	.45758	.44991	.44246	.4352
66	.47966	.4718	.46416	.45673	.4495
67	.49392	.48612	.47853	.47113	.46392
68	.50528	.50054	.493	.48564	.47847
69	.52277	.5151	.50762	.50032	.4932
70	.53741	.52983	.52242	.51518	.50812
71	.55223	.54747	.53741	.53026	.52326
72	.56722	.55983	.5526	.54553	.53862
73	.58235	.57508	.56797	.56101	.55419
74	.59761	.60048	.58349	.57665	.56994
75	.61298	.60598	.59913	.59241	.58582
76	.62844	.6216	.6149	.60832	.60187
77	.644	.63734	.6308	.62488	.61807
78	.6596	.66312	.64675	.6405	.63435
79	.67508	.66879	.66261	.65653	.65056
80	.69028	.68419	.6782	.67231	.66651

TABLE G(1)—Continued

Age	Yearly rate of return				
	7.2%	7.4%	7.6%	7.8%	8%
81	.70489	.69901	.69321	.6875	.68189
82	.71866	.71297	.70736	.70184	.69639
83	.73166	.72615	.72072	.71538	.7101
84	.74429	.73897	.73373	.72856	.72346
85	.75709	.75198	.74694	.74195	.73704
86	.76959	.7667	.75982	.75503	.7503
87	.78178	.77708	.77243	.76783	.7633
88	.79361	.78911	.78466	.78027	.77592
89	.80482	.80052	.79627	.79206	.7879
90	.81513	.81103	.80696	.80293	.79896
91	.82451	.82057	.81668	.81282	.80901
92	.83301	.82924	.8255	.8218	.81814
93	.84065	.83702	.83342	.82987	.82534
94	.84748	.84399	.84053	.83637	.83237
95	.85373	.85036	.84701	.84347	.83942
96	.85987	.85661	.85339	.85019	.84702
97	.86573	.86259	.85948	.85654	.85334
98	.87134	.86831	.86531	.86235	.85939
99	.87669	.87378	.87089	.86802	.86518
100	.88181	.878	.87622	.87346	.87072
101	.88672	.88402	.88133	.87867	.87603
102	.89147	.88886	.88627	.88371	.88116
103	.89611	.8936	.89111	.88884	.88616
104	.90081	.8984	.896	.89363	.89117
105	.90586	.90356	.90128	.89901	.89674
106	.91197	.9098	.90764	.90505	.90336
107	.9207	.91872	.91675	.91479	.91284
108	.93579	.93415	.93253	.93092	.9293
109	.96642	.96555	.96468	.96382	.96296

TABLE G(2)

TABLE, SINGLE LIFE, FEMALE, SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST IN PROPERTY TRANSFERRED TO A POOLED INCOME FUND HAVING THE YEARLY RATE OF RETURN SHOWN

TABLE G(2)—Continued

Age	Yearly rate of return				
	2.2%	2.4%	2.6%	2.8%	3%
0	.12943	.11702	.10624	.09654	.08866
1	.11321	.10032	.08611	.07932	.07079
2	.1154	.10228	.09084	.08085	.07212
3	.11826	.10401	.08925	.08305	.07412
4	.12141	.10783	.09591	.08555	.07649
5	.12476	.11096	.09886	.08824	.07891
6	.12829	.11426	.10194	.09111	.08168
7	.13201	.11775	.10521	.09416	.08443
8	.13588	.12139	.10863	.09737	.08743
9	.13992	.12521	.11223	.10075	.09093
10	.14412	.12918	.11598	.10429	.09303
11	.14847	.13331	.11988	.10708	.09741
12	.15297	.13751	.12394	.11182	.10104
13	.1576	.142	.12813	.11579	.10485
14	.16238	.14653	.13244	.11989	.10808
15	.16723	.15118	.13687	.12411	.11299
16	.17221	.15594	.14243	.12842	.11616
17	.1773	.16082	.14607	.13286	.12021
18	.18252	.16582	.15086	.13743	.12537
19	.18787	.17096	.15578	.14213	.12986
20	.19338	.17626	.16087	.14701	.13452
21	.19905	.18172	.16611	.15204	.13834
22	.20487	.18734	.17152	.15724	.14432
23	.21086	.19313	.1771	.16261	.14983
24	.21703	.19911	.18288	.16817	.15383
25	.22338	.20526	.18883	.17302	.16638
26	.2299	.2116	.19498	.17987	.16613
27	.23661	.21841	.20132	.18601	.17206
28	.24352	.22487	.20787	.19027	.17037
29	.2506	.23179	.21461	.19892	.18457
30	.25788	.23891	.21216	.20568	.19702
31	.26534	.24621	.22809	.21264	.19762
32	.27298	.25371	.23604	.21801	.20391
33	.28082	.26142	.24359	.22722	.21631
34	.28686	.26833	.25136	.23481	.21953
35	.29709	.27475	.25904	.24204	.22722
36	.30553	.28578	.26754	.2507	.23533
37	.31416	.29432	.27507	.25899	.24327
38	.32299	.30301	.28461	.26765	.23516
39	.33201	.31204	.29246	.27624	.25024
40	.34121	.32116	.30252	.28519	.26048
41	.3506	.3305	.31179	.29437	.27814
42	.36018	.34004	.32126	.	

TABLE G(2)—Continued

Age	Yearly rate of return				
	3.2%	3.4%	3.6%	3.8%	4%
50	.44335	.42343	.40464	.38691	.37016
51	.4545	.43468	.41595	.39825	.38152
52	.46579	.44609	.42745	.40979	.39308
53	.47725	.45768	.43913	.42155	.40487
54	.48891	.46948	.45105	.43355	.41692
55	.50078	.48152	.46322	.44582	.42927
56	.51286	.49379	.47565	.45837	.44191
57	.52515	.50620	.48832	.47118	.45484
58	.53759	.51896	.50119	.48421	.468
59	.55015	.53177	.51421	.49741	.48135
60	.56278	.54467	.52733	.50173	.49484
61	.57546	.55763	.54054	.52416	.50844
62	.58822	.57067	.55384	.53769	.52218
63	.601	.58378	.56724	.55133	.53604
64	.61388	.597	.58076	.56512	.55007
65	.62687	.61034	.59442	.57907	.56427
66	.63996	.62381	.60822	.59318	.57806
67	.65313	.63737	.62215	.60743	.59322
68	.66634	.65099	.63615	.62178	.60788
69	.67954	.66462	.65017	.63617	.6226
70	.69268	.6782	.66416	.65054	.63732
71	.70576	.69174	.67812	.66489	.65204
72	.71878	.70522	.69203	.67921	.66675
73	.7317	.71861	.70588	.69348	.68141
74	.74449	.73189	.71961	.70765	.69599
75	.75711	.745	.73319	.72167	.71043
76	.77059	.75738	.74665	.73558	.72478
77	.78194	.77084	.76	.7494	.73003
78	.79408	.78355	.77315	.76302	.7531
79	.8059	.79583	.78597	.77631	.76685
80	.81733	.80774	.79837	.78917	.78016
81	.82815	.81908	.81018	.80144	.79286
82	.83842	.82982	.82137	.81307	.80491
83	.84821	.84007	.83206	.82419	.81644
84	.8578	.85011	.84254	.8351	.82777
85	.86746	.86024	.85313	.84613	.83923
86	.8765	.86972	.86304	.85646	.84997
87	.88486	.8785	.87223	.86605	.85904
88	.89258	.88661	.88072	.87491	.86917
89	.89964	.89403	.88885	.88303	.87764
90	.90603	.90075	.89554	.89039	.88531
91	.91174	.90677	.90185	.89699	.89218
92	.91678	.91207	.90742	.90281	.89825
93	.92118	.9167	.91227	.90789	.90355
94	.92502	.92075	.91652	.91233	.90818

TABLE G(2)

(1)

(2)

Yearly rate of return

Age

4.2%

4.4%

4.6%

4.8%

5%

(1)

Age

5.2%

5.4%

5.6%

5.8%

6%

(1)

Age

4.2%

4.4%

4.6%

4.8%

5%

(1)

Age

RULES AND REGULATIONS

TABLE G(2)—Continued

Age	Yearly rate of return				
	6.2%	6.4%	6.6%	6.8%	7%
39	.14263	.13571	.12924	.12317	.11748
40	.14962	.14253	.13588	.12964	.12378
41	.16689	.14963	.14281	.13639	.13088
42	.16444	.157	.15001	.14343	.13724
43	.17229	.16467	.15751	.15077	.14441
44	.18043	.17265	.16532	.1584	.15188
45	.18889	.18094	.17345	.16637	.15968
46	.19768	.18957	.18191	.17467	.16782
47	.20678	.19852	.1907	.18329	.17628
48	.21623	.20781	.19963	.19227	.1851
49	.22599	.21741	.20928	.20157	.19424
50	.23606	.22735	.21907	.21121	.20373
51	.24645	.2371	.22918	.22117	.21355
52	.25717	.24818	.23963	.23147	.22371
53	.26824	.25912	.25044	.24215	.23425
54	.27971	.27048	.26167	.25236	.24523
55	.20163	.2823	.27337	.26485	.25668
56	.30402	.29459	.28556	.27602	.26865
57	.31687	.30735	.29823	.2895	.28111
58	.33012	.32053	.31134	.30251	.29404
59	.34374	.33409	.32482	.31592	.30737
60	.35766	.34796	.33884	.32968	.32105
61	.37186	.36213	.35276	.34375	.33506
62	.38636	.37661	.36721	.35815	.34941
63	.40117	.39142	.382	.37291	.36414
64	.41635	.4066	.39718	.38807	.37928
65	.43191	.42218	.41278	.40368	.39488
66	.44788	.4382	.42882	.41975	.41095
67	.46424	.45462	.45529	.43625	.42748
68	.48092	.47139	.46213	.45314	.44442
69	.49787	.48843	.47926	.47035	.46169
70	.51501	.50569	.49662	.4878	.47922
71	.53233	.52315	.5142	.50549	.49701
72	.54985	.54081	.53201	.52343	.51506
73	.56751	.55804	.550	.54156	.53332
74	.58524	.57657	.5681	.55983	.53175
75	.60301	.59454	.58027	.57818	.57026
76	.62085	.6126	.60453	.59664	.58891
77	.63876	.63076	.62292	.61524	.60772
78	.65664	.6489	.6413	.63385	.62656
79	.67427	.6668	.65946	.65226	.6452
80	.69195	.6843	.67723	.67029	.66347
81	.70807	.70114	.69434	.68765	.68107
82	.72389	.71724	.7107	.70427	.69734
83	.73914	.73275	.72648	.72031	.71423
84	.75426	.74816	.74216	.73625	.73042
85	.76973	.76394	.75824	.75262	.74707
86	.78494	.77885	.77344	.7681	.76283
87	.79799	.79279	.78766	.78259	.77759
88	.8107	.80577	.80091	.7961	.79136
89	.82243	.81776	.81315	.80859	.80408
90	.83311	.82866	.82431	.81998	.8157
91	.84274	.83853	.83437	.83026	.82618
92	.85126	.84725	.84329	.83936	.83548
93	.85873	.85489	.8511	.84735	.84363
94	.86526	.86158	.85794	.85434	.85077

TABLE G(2)

Age	Yearly rate of return				
	7.2%	7.4%	7.6%	7.8%	8%
0	.03705	.03604	.03513	.03432	.03359
1	.01672	.01567	.01472	.01388	.01311
2	.01631	.01521	.01422	.01333	.01253
3	.01653	.01538	.01434	.01341	.01258
4	.017	.01579	.01471	.01374	.01285
5	.01762	.01636	.01522	.0142	.01326
6	.01835	.01704	.01584	.01477	.01379
7	.01922	.01784	.01659	.01546	.01444
8	.0202	.01875	.01745	.01626	.01518
9	.0213	.01979	.01841	.01717	.01604
10	.02251	.02093	.01949	.01818	.017
11	.02382	.02217	.02066	.0193	.01806
12	.02520	.02352	.02195	.02051	.01921
13	.02676	.02495	.02233	.02179	.02042
14	.02835	.02645	.02472	.02315	.02171
15	.03001	.02802	.02622	.02457	.02306
16	.03172	.02964	.02776	.02694	.02446
17	.03351	.03135	.02937	.02757	.02591
18	.03531	.03312	.03103	.02917	.02743
19	.03733	.03498	.03282	.03082	.02903
20	.03941	.03698	.03471	.03264	.03074
21	.04162	.03906	.03671	.03455	.03265
22	.04395	.04128	.03882	.03657	.03448
23	.04641	.04363	.04107	.03871	.03654
24	.04904	.04614	.04347	.04101	.03874
25	.05182	.04881	.04603	.04345	.04107
26	.05475	.05165	.04875	.04606	.04359
27	.05792	.05465	.05163	.04883	.04624
28	.06124	.05785	.0547	.05179	.04908
29	.06476	.06123	.05796	.05402	.0521
30	.06847	.06481	.06141	.05824	.0553
31	.07238	.06858	.06504	.06175	.05868
32	.0765	.07255	.06888	.06546	.06226

TABLE G(2)—Continued

Age	Yearly rate of return				
	7.2%	7.4%	7.6%	7.8%	8%
33	.08084	.07675	.07294	.06937	.06608
34	.08582	.08118	.07722	.07352	.07007
35	.09024	.08586	.08175	.07792	.07432
36	.09532	.09078	.08653	.08255	.07882
37	.10066	.09596	.09156	.08744	.08357
38	.10626	.10141	.09686	.09259	.08858
39	.11214	.10712	.10242	.09799	.09383
40	.11828	.11311	.10825	.10368	.09967
41	.12471	.11938	.11436	.10963	.10517
42	.13141	.12592	.12074	.11586	.11125
43	.13841	.13276	.12742	.12238	.11762
44	.14573	.13991	.13441	.12922	.1243
45	.15336	.14738	.14172	.13637	.1313
46	.16134	.15519	.14939	.14387	.13865
47	.16964	.16334	.15737	.1517	.14632
48	.1783	.17184	.16571	.15989	.15453
49	.18729	.18068	.17439	.16842	.16273
50	.19662	.18986	.18342	.17729	.17145
51	.20629	.19937	.19279	.18651	.18051
52	.2163	.20224	.20251	.19608	.18994
53	.22671	.21951	.21262	.20605	.19977
54	.23755	.23021	.22319	.21647	.21005
55	.24888	.24141	.23426	.22741	.22085
56	.26073	.25813	.25488	.25219	.24545
57	.27309	.26538	.25799	.25089	.24407
58	.28501	.2781	.2706	.26339	.25646
59	.29914	.29124	.28364	.27632	.26929
60	.31275	.30476	.29707	.28965	.28251
61	.32668	.31862	.31085	.30335	.29612
62	.34008	.33285	.32501	.31744	.31013
63	.35566	.34748	.33958	.33104	.32455
64	.37078	.36256	.3545	.34691	.33946
65	.38863	.37811	.37012	.36239	.35541
66	.40244	.39418	.38617	.37841	.37089
67	.41898	.41073	.40272	.39406	.38742
68	.43595	.42773	.41974	.41108	.40444
69	.45328	.44509	.43713	.42939	.42186
70	.47857	.4807	.47288	.46531	.45776
71	.5068	.49895	.49119	.48362	.47623
72	.52529	.51745	.50978	.50231	.49501
73	.54385	.53614	.52859	.52123	.51402
74	.56252	.55405	.54755	.5403	.53322
75	.58135	.57394	.56669	.55959	.55204
76	.60035	.59313	.58605	.57911	.57231
77	.6194	.61238	.60549	.59874	.5921
78	.63826	.63146	.62477	.61821	.61178
79	.65670	.65018	.64371	.63735	.63111
80	.67461	.66826	.66201	.65586	.64982
81	.69171	.68558	.67955	.67362	.66778
82	.70823	.70234	.69652	.6908	.68517
83	.72408	.71902	.71345	.70795	.70254
84	.74116	.7362	.73089	.72564	.72047
85	.75763	.7525	.74743	.74244	.7375
86	.77265	.76777	.76295	.75819	.7535
87	.78606	.78203	.77745	.77233	.76846
88	.79663	.79523	.79088	.78568	.78232
89	.81148	.80729	.80315	.79606	.79501
90	.82216	.81817	.81423	.80133	.80647
91	.83164	.82783	.82407	.82034	.81663
92	.83905	.83631	.8327	.82913	.82559
93	.84723	.84373	.84026	.83682	.83342

(2) *Severance of a portion of a fund.* Any portion of a fund created before May 7, 1971 which consists of property transferred to such fund after July 31, 1969, may be severed from such fund consistently with the principles of paragraph (c) (2) of this section and established before July 1, 1971, as a separate pooled income fund, provided that on and after the date of severance the severed fund meets all the requirements of section 642(c) (5) and § 1.642(c)-5. A fund which is established as a separate fund pursuant to this subparagraph shall be treated as provided in paragraph (d) of this section for the period beginning on the first day of any transfer of property in such fund and ending the day before the day on which it meets the requirements of section 642(c) (5) and § 1.642(c)-5.

(b) *Initial characteristics required.* A fund described in paragraph (a) (1) of this section shall not be treated as a pooled income fund to which section 642(c) (5) applies, even though it is amended as provided in paragraph (c) of this section, unless it possessed the following characteristics on July 31, 1969, or on each date of transfer of property to the fund occurring after July 31, 1969:

(1) *In general—(1) Amendment of certain funds.* A fund created before May 7, 1971, and not otherwise qualifying as a pooled income fund may be treated as a pooled income fund to which § 1.642(c)-5 applies if on July 31, 1969, or on each date of transfer of property to the fund occurring after July 31, 1969, it possessed the initial characteristics described in paragraph (b) of this section and is amended, in the time and manner provided in paragraph (c) of this section, to meet all the requirements of section 642(c) (5) and § 1.642(c)-5. If a fund to which this subparagraph applies is amended in the time and manner provided in paragraph (c) of this section it shall be treated as provided in paragraph (d) of this section for the period beginning on August 1, 1969, or, if later, on the date of its creation and ending the day before the date on which it meets the requirements of section 642(c) (5) and § 1.642(c)-5.

(2) In addition, if the transferred property described in paragraph (b) (2) of this section is commingled with other property, the transferred property must be separated on or before the date specified in subparagraph (1) of this paragraph from the other property and allocated to the fund in accordance with the transferred property's percentage share of the fair market value of the property in which such interest was retained or created.

(c) *Amendment requirements.* (1) A fund described in paragraph (a) (1) of this section and possessing the initial characteristics described in paragraph (b) of this section on the date prescribed therein shall be treated as a pooled income fund if it is amended to meet all the requirements of section 642(c) (5) and § 1.642(c)-5 before July 1, 1971, or, if later, on or before the 30th day after the date on which any judicial proceedings begun before July 1, 1971, which are required to amend its governing instrument or any other instrument which does not permit it to meet such requirements, become final. However, see paragraph (d) of this section for limitation on the period in which a claim for credit or refund may be filed.

(2) In addition, if the transferred property described in paragraph (b) (2) of this section is commingled with other property, the transferred property must be separated on or before the date specified in subparagraph (1) of this paragraph from the other property and allocated to the fund in accordance with the transferred property's percentage share of the fair market value of the

total commingled property on the date of separation. The percentage share shall be the ratio which the fair market value of the transferred property on the date of separation bears to the fair market value of the total commingled property on that date and shall be computed in a manner consistent with paragraph (c) of § 1.642(c)-5. The property which is so allocated to the fund shall be treated as property received from transfers which meet the requirements of section 642(c)(5), and such transfers shall be treated as made on the dates on which the properties giving rise to such allocation were transferred to the fund by the respective donors. The property so allocated to the fund must be representative of all the commingled property other than securities the income from which

is exempt from tax under subtitle A of the Code; compensating increases in other commingled property allocated to the fund shall be made where such tax-exempt securities are not allocated to the fund. The application of this subparagraph may be illustrated by the following example:

Example. (a) The trustees of X fund are in the process of amending it in order to qualify as a pooled income fund. The property transferred to the X fund was commingled with other property transferred to the organization by which the fund was established. After taking into account the various transfers and the appreciation in the fair market value of all the properties, the fair market value of the property allocated to the fund on the various transfer dates is set forth in the following schedule and determined in the manner indicated:

TRANSFERS

Date of transfer	Value of all property before transfer	Trust property		Value of all property after transfer	Property allocated to fund	
		(1)	(2)	(3)	(4)	(5)
January 1, 1968			\$100,000	\$100,000	\$200,000	\$100,000
September 30, 1968	\$300,000		100,000		400,000	250,000
January 15, 1969	480,000		60,000		540,000	360,000
November 11, 1969	600,000		200,000		800,000	600,000

¹ \$100,000 = (the amount in column (2)).

² 250,000 = (\$100,000/\$200,000 × \$200,000) + \$100,000.

³ 360,000 = (\$250,000/\$400,000 × \$480,000) + \$60,000.

⁴ 600,000 = (\$360,000/\$540,000 × \$600,000) + \$200,000.

(b) On September 30, 1970, the trustees decide to separate the property of X fund from the other property. The fair market value of all the commingled property is \$1 million on September 30, 1970, and there were no additional transfers to the fund after November 11, 1969. Accordingly, the fair market value of the property required to be allocated to X fund must be \$750,000 (\$600,000/\$800,000 × \$1,000,000), and X fund's percentage share of the commingled property is 75 percent (\$750,000/\$1,000,000). Accordingly, assuming that the commingled property consists of Y stock with a fair market value of \$800,000 and Z bonds with a fair market value of \$200,000, there must be allocated to X fund at the close of September 30, 1970, Y stock with a value of \$600,000 (\$800,000 × 75%) and Z bonds with a value of \$150,000 (\$200,000 × 75%).

(d) *Transactions before amendment of or severance from fund.* (1) A fund which is amended pursuant to paragraph (c) of this section, or is severed from a fund pursuant to paragraph (a)(2) of this section, shall be treated for all purposes, including the allowance of a deduction for any charitable contribution, as if it were before its amendment or severance a pooled income fund to which section 642(c)(5) and § 1.642(c)-5 apply. Thus, for example, where a donor transferred property in trust to such an amended or severed fund on August 1, 1969, but before its amendment or severance under this section, a charitable contributions deduction for the value of the remainder interest may be allowed under section 170, 2055, 2106, or 2522. The deduction may not be allowed, however, until the fund is amended or

severed pursuant to this section and shall be allowed only if a claim for credit or refund is filed within the period of limitation prescribed by section 6511(a).

(2) For purposes of determining under paragraph (b)(2) of § 1.642(c)-6 the highest yearly rate of return earned by a fund (which is amended pursuant to paragraph (c) of this section) for the 3 preceding taxable years, taxable years of the fund preceding its taxable year in which the fund is so amended and qualifies as a pooled income fund under this section shall be used provided that the fund did not at any time during such preceding years hold any investments in securities the income from which is exempt from tax under subtitle A of the Code. If any such tax-exempt securities were held during such period by such amended fund, or if the fund consists of a portion of a fund which is severed pursuant to paragraph (a)(2) of this section, the highest yearly rate of return under paragraph (b)(2) of § 1.642(c)-6 shall be determined by treating the fund as a pooled income fund which has been in existence for less than 3 taxable years preceding the taxable year in which the transfer of property to the fund is made.

(3) Property transferred to a fund before its amendment pursuant to paragraph (c) of this section, or before its severance under paragraph (a)(2) of this section, shall be treated as property received from transfers which meet the requirements of section 642(c)(5).

[FR Doc. 71-4589 Filed 4-5-71; 8:45 am]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Department of Agriculture

Section 213.3113 is amended to show that certain Schedule A positions of agricultural commodity graders (poultry), grade GS-9 and below, who inspect egg products on a temporary basis will be excepted under a separate Schedule A authority after May 31, 1971. The positions are currently excepted under subparagraph (1) of paragraph (a) of § 213.3113. Effective on publication in the *FEDERAL REGISTER* (4-6-71), subparagraph (6) is added to paragraph (f) of § 213.3113 as set out below.

§ 213.3113 Department of Agriculture.

* * * * *

(f) *Consumer and Marketing Service.* * * *

(6) After May 31, 1971, temporary positions at GS-9 and below of agricultural commodity graders (poultry) who inspect egg products. Employment under this authority may not exceed 1,280 hours a year.

(5 U.S.C. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[FR Doc. 71-4736 Filed 4-5-71; 8:50 am]

PART 213—EXCEPTED SERVICE

Department of Defense

Section 213.3306 is amended to show that the title of the Private Secretary to one of the four Deputy Directors of Defense Research and Engineering has been changed to reflect the fact that her superior's current specialization is Research and Technology rather than Chemistry and Materials. Effective on publication in the *FEDERAL REGISTER* (4-6-71), subparagraph (2) of paragraph (a) of § 213.3306 is amended as set out below.

§ 213.3306 Department of Defense.

* * * * *

(a) *Office of the Secretary.* * * *

(2) Two Private Secretaries to the Deputy Secretary of Defense and one Private Secretary to each of the following: the Director of Defense Research and Engineering; the Principal Deputy Director of Defense Research and Engineering; the Deputy Directors of Defense Research and Engineering (Tactical Warfare Programs), (Strategic and Space Systems), (Research and Technology), (Electronics and Information Sys-

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tems); the Director, Advanced Research Projects Agency; the Assistant Secretaries of Defense (Manpower and Reserve Affairs), (International Security Affairs), (Public Affairs), (Installations and Logistics), (Administration), (Comptroller), and (Systems Analysis); the General Counsel; the Deputy General Counsel; the Assistant to the Secretary of Defense (Atomic Energy); and the Military Assistants to the Secretary of Defense.

(5 U.S.C. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[FR Doc.71-4737 Filed 4-5-71;8:50 am]

PART 213—EXCEPTED SERVICE Office of Consumer Affairs

Section 213.3371 is amended to show that the President's Committee on Consumer Interests has been replaced by the Office of Consumer Affairs. This section is further amended to show that one position of Assistant to the Special Assistant to the President for Consumer Affairs is excepted under Schedule C. Effective on publication in the *FEDERAL REGISTER* (4-6-71), the headnote of § 213.3371 is amended and paragraph (i) is added as set out below.

§ 213.3371 Office of Consumer Affairs.

(i) One Assistant to the Special Assistant to the President for Consumer Affairs.

(5 U.S.C. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[FR Doc.71-4738 Filed 4-5-71;8:50 am]

PART 213—EXCEPTED SERVICE Department of Transportation

Section 213.3394 is amended to show that one position of Public Information Assistant to the Director, Office of Public Affairs is excepted under Schedule C. Effective on publication in the *FEDERAL REGISTER* (4-6-71), subparagraph (26) is added to paragraph (a) of § 213.3394 as set out below.

§ 213.3394 Department of Transportation.

(a) *Office of the Secretary.* * * *
(26) One Public Information Assistant to the Director, Office of Public Affairs.

(5 U.S.C. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[FR Doc.71-4739 Filed 4-5-71;8:50 am]

PART 307—TRANSITIONAL AND VETERANS READJUSTMENT APPOINTMENTS

Appointment and Promotion Authorization

Sections 307.103 and 307.106 are amended to permit veterans readjustment appointments to positions in grades below GS-5 under specified conditions relating to qualifications and opportunity for progression with respect to positions in certain grades; and to authorize promotions of veterans readjustment appointees to positions at GS-3 or below.

§ 307.103 Appointment authority.

(a) Subject to paragraph (b) of this section, an agency may appoint by veterans readjustment appointment to a position at GS-5 or below, or the equivalent in other pay systems, any veteran eligible under § 307.102 who meets the qualification standards of the Commission for the position. On the basis of his total experience, including military experience, any veteran eligible under § 307.102 meets the qualification standards for positions at GS-3 and below, and equivalent levels, provided the agency considers him capable of performing the duties of the specific position.

(b) An agency may make an appointment to a position in GS-2 or below, or equivalent levels, when there is substantial opportunity for progression to at least GS-3, or the equivalent.

(c) An appointment under this section is subject to investigation by the Commission. A law, Executive order, or regulation which disqualifies a person for appointment in the competitive service also disqualifies him for a veterans readjustment appointment.

§ 307.106 Noncompetitive movement.

(a) An agency may reassign, transfer, or, subject to § 335.103 of this chapter, promote to any position at GS-3 or below, or the equivalent, an employee serving under veterans readjustment appointment whom the agency considers capable of performing the duties of the position.

(5 U.S.C. 3301, 3302, E.O. 11521, 35 F.R. 5311)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[FR Doc.71-4735 Filed 4-5-71;8:49 am]

PART 334—TEMPORARY ASSIGNMENT OF EMPLOYEES BETWEEN EXECUTIVE AGENCIES AND STATES, LOCAL GOVERNMENTS, AND INSTITUTIONS OF HIGHER EDUCATION

A new Part 334 is added to Subchapter B of Chapter I of Title 5 of the Code of Federal Regulations to prescribe the regulations for the administration of Subchapter IV of the Intergovernmental Personnel Act of 1970, 84 Stat. 1909. The new Part 334 reads as follows:

Sec.

334.101 Purpose.
334.102 Definitions.
334.103 Period of assignment.
334.104 Counting a period of service.
334.105 Requirement for written agreement.
334.106 Reports required.

AUTHORITY: The provisions of this Part 334 issued under 5 U.S.C. 3376, E.O. 11589, 36 F.R. 6343.

§ 334.101 Purpose.

The purpose of this part is to carry into effect the objectives of subchapter VI of chapter 33 of title 5, United States Code, which authorizes the temporary assignment of employees between Executive agencies and States, local governments, and institutions of higher education.

§ 334.102 Definitions.

In this part:

(a) "Assignment" means a period of service of a Federal employee under section 3372(b)(1) or 3373 of title 5, United States Code, or of an employee of an institution of higher education under section 3372(b)(2) of title 5, United States Code, or of a State or local employee under section 3374 of title 5, United States Code;

(b) "Employee" means an employee as that term is defined in section 2105 of title 5, United States Code, employed by an Executive agency and an individual employed by a State, local government, or institution of higher education, as appropriate;

(c) "Executive agency" has the meaning given that term by section 105 of title 5, United States Code;

(d) "Institution of higher education" means a public or private 4-year college or university or a technical or junior college; and

(e) "State" and "local government" have the meanings given those terms by section 3371 of title 5, United States Code.

§ 334.103 Period of assignment.

(a) A single assignment may not exceed 2 years, except that the head of an Executive agency, with the concurrence of the employee, may extend the period of assignment for not more than 2 additional years.

(b) An assignment may be terminated before the date it is scheduled to end at the request of the Executive agency, the State, the local government, or the institution of higher education and in