(1) Space for individual and population growth and for normal behavior:

(2) Food, water, air, light, minerals, or other nutritional or physiological requirements;

(3) Cover or shelter;

(4) Sites for breeding, reproduction, or rearing of offspring; and generally,

(5) Habitats that are protected from disturbances or are representative of the geographical distribution of listed species.

In accordance with the July 18, 1977, memorandum of understanding between the Fish and Wildlife Service and National Marine Fisheries Service, the Fish and Wildlife Service was given the responsibility for sea turtles while on land. Such responsibility includes the determination of critical habitat. Since the only time leatherback sea turtles leave the water to come onto beaches in the U.S. Virgin Islands is to lay eggs, the areas included in this determination are areas where leatherback sea turtles nest. All the beaches in this rulemaking provide sites for the incubation of eggs and are known to provide proper sand size, moisture, and temperature conditions for successful development and hatching. There may be many kinds of actions which can be carried out within the critical habitat of a species which would not be expected to adversely affect that species. This point has not been well understood by some persons. There has been widespread and erroneous belief that a critical habitat designation is something akin to establishment of a wilderness area of wildlife refuge, and automatically closes an area to most human uses. Actually, a critical habitat designation applies to Federal agencies, and essentially is an official notification to these agencies that their responsibilities pursuant to section 7 of the Act are applicable in a certain area.

A critical habitat designation must be based solely on biological factors. There may be questions of whether and how much habitat is critical, in accordance with the above interpretation, or how to best legally delineate this habitat, but any resultant designation must correspond with the best available biological data. It would not be in accordance with the law to involve other motives; for example, to enlarge a critical habitat delineation so as to cover additional habitat under section 7 provisions, or to reduce a delineation so that actions in the omitted area would not be subject to evaluation.

There may indeed be legitimate questions of whether, and to what extent, certain kinds of actions would adversely affect listed species. These questions, however, are not relevant to the biological basis of critical habitat delineations. Such questions should, and can more conveniently, be dealt with after critical habitat has been designated. In this respect, the Service in cooperation with other Federal agencies had drawn up a set of regulations which, in part, establish a consultation process for helping to evaluate the possible effects of actions on critical habitat. Regulations for interagency cooperation were published on January 4, 1978, in the FEDERAL REGISTER (43 FR 870-876) to assist Federal agencies in complying with section 7 of the Endangered Species Act of 1973.

NATIONAL ENVIRONMENTAL POLICY ACT

An environmental assessment has been prepared in conjunction with this rulemaking. It is on file in the Service's Office of Endangered Species, 1612 K Street NW., Washington, D.C. 20240, and may be examined during regular business hours or obtained by mail. The assessment is the basis for a decision that the determinations of this rulemaking are not major Federal actions which would significantly affect the quality of the human environment within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969.

The primary author of this rulemaking is Dr. C. Kenneth Dodd, Jr., Office of Endangered Species, U.S. Fish and Wildlife Service, 202-343-7814.

REGULATION PROMULGATION

§ 17.95 [Amended]

Accordingly, 50 CFR 17.95(c) is amended by adding critical habitat of the leatherback sea turtle after that of the giant anole as follows:

* * * * *

(c) *Reptiles.* * * *

LEATHERBACK SEA TURTLE

(*Dermochelys coriacea*)

U.S. Virgin Islands—A strip of land 0.2 mile wide (from mean high tide inland) at Sandy Point Beach on the western end of the island of St. Croix beginning at the southwest cape to the south and running 1.2 miles northwest and then northeast along the western and northern shoreline, and from the southwest cape 0.7 mile east along the southern shoreline.

NOTE.—The Service has determined that this document does not contain a major action requiring preparation of an economic impact statement under Executive Order 11949 and OMD Circular A-107.

Dated: September 18, 1978.

LYNN A. GREENWALT,
Director, Fish and Wildlife Service.

[FR Doc. 78-26993 Filed 9-25-78 8:45 a.m.]

federal register

TUESDAY, SEPTEMBER 26, 1978
PART VII

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

■

BOLSON TORTOISE

Proposed Endangered Status

[4310-55]

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[50 CFR Part 17]

ENDANGERED AND THREATENED WILDLIFE AND PLANTS

Proposed Endangered Status for the Bolson Tortoise

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule.

SUMMARY: The Service proposes to determine the Bolson tortoise (*Gopherus flavomarginatus*) to be an endangered species. This action is being taken because the tortoise is under heavy pressure from human predation, habitat modification, competition from grazing stock, and collection of individuals. The proposed action, if completed, would provide additional protection to this species, listed now as an appendix II species on the Convention on International Trade in Endangered Species of Wild Fauna and Flora. The Bolson tortoise is known from the States of Chihuahua, Coahuila, and Durango in Mexico.

DATES: Comments from the public and the Government of Mexico must be received by December 25, 1978.

ADDRESSES: Submit comments to Director (OES), U.S. Fish and Wildlife Service, Department of the Interior, Washington, D.C. 20240. Comments and materials received will be available for public inspection during normal business hours at the Service's Office of Endangered Species, Suite 1100, 1612 K Street NW., Washington, D.C.

FOR FURTHER INFORMATION CONTACT:

Mr. Keith M. Schreiner, Associate Director, Federal Assistance, Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240, 202-343-4646.

SUPPLEMENTARY INFORMATION:

BACKGROUND

On June 15, 1978, the Fish and Wildlife Service was petitioned by Dr. David Morafka of California State University—Dominguez Hills to list the Bolson tortoise, *Gopherus flavomarginatus*, as an endangered species under provisions of the Endangered Species Act of 1973. Included with the petition was a report entitled "The Ecology and Conservation of the Bolson Tortoise, *Gopherus flavomarginatus*" in which Dr. Morafka reviewed the biology and status of the species throughout its range. On June 29, 1978, the Director of the Service notified Dr. Morafka that he had supplied sufficient information to warrant serious consideration for listing under provisions of the Act.

The Bolson tortoise is the largest terrestrial ectothermic vertebrate in North America and one of four species of the genus *Gopherus*, a genus confined to North America. This species was only described in 1959 and remains one of the least known reptiles in the northern hemisphere in spite of its size. Adults may measure in excess of 1 meter shell length, with a flat-topped, posteriorly flared carapace with laminae that are pale in contrast to dark centers. The plastron is horn yellow. In addition, there are various bone features (osteological characters) which distinguish this species from its close relatives. The Bolson tortoise is associated with grasslands and may have at one time been much more wide-ranging than at present. It is now confined to southeast Chihuahua, southwest Coahuila, and northeast Durango in northern Mexico. At present there are still a few remaining viable populations, although nearly all populations have been impacted directly by man.

Section 4(a) of the Act (16 U.S.C. 1531 et seq.) states:

> General.—(1) The Secretary shall by regulation determine whether any species is an endangered species or a threatened species because of any of the following factors:
>
> (1) The present or threatened destruction, modification, or curtailment of its habitat or range;
>
> (2) Overutilization for commercial, sporting, scientific, or educational purposes;
>
> (3) Disease or predation;
>
> (4) The inadequacy of existing regulatory mechanisms; or
>
> (5) Other natural or manmade factors affecting its continued existence.

This authority has been delegated to the Director.

SUMMARY OF FACTORS AFFECTING THE SPECIES

These findings are summarized herein under each of the five criteria of section 4(a) of the Act. These factors, and their application to the Bolson tortoise are as follows:

1. *The present or threatened destruction, modification, of curtailment of its habitat or range.*—Habitat destruction is accelerating throughout the range of the Bolson tortoise. Plowing and irrigation of fields for cotton, beans, corn, and melons have apparently contributed to the extirpation of the species in certain areas, such as the region west of Mexican Highway 49 and around Tlahualilo in Durango. As Mexico's resettlement program continues, more and more of the tortoise's habitat will likely be converted to agricultural and grazing uses. The continued existence of the tortoise in the vicinity of such practices is highly unlikely.

Habitat destruction also occurs through overgrazing by cattle and goats. Goat herds have long grazed the foothills of the tortoise country. Water supplies have been increased by underground drilling and as a result cattle are rapidly increasing in density in these arid grasslands. Some areas are now beginning to show the marked effects of overgrazing, usually indicated in this type of habitat by the erosion of topsoil and invasion of mesquite and creosote scrub. Cattle and goats destroy browse needed by the tortoises as well as burrows and cover sites by trampling.

2. *Overutilization for commercial, sporting, or educational purposes.*—In the pest, Bolson tortoises have been in demand for private collections, zoos, and museums in the United States and elsewhere; occasional shipments have reached dealers in El Paso. The extent of this collection is presently unknown in light of the tortoise's status as an appendix II species on the Convention on International Trade in Endangered Species of Wild Fauna and Flora. However, Mexico is not a party to the convention and it is likely that some trade is continuing. As recently as January 1978, Americans have been reported in Ceballos, Durango buying specimens.

3. *Disease or predation.*—Natural predation is probably only a minor factor contributing to the status of the Bolson tortoise. However, human predation may be the main cause for the extirpation or reduction in numbers of this tortoise over large areas of its range. This species is used extensively for food by the local population and although much of the area inhabited by tortoises is only sparsely settled, the tortoise populations are often eliminated as far away as 10 kilometers from the nearest habitation. As settlement increases, predation on the tortoises will accelerate.

4. *The inadequacy of existing regulatory mechanisms.*—Although permits are required by Mexico for the scientific collection of this species, no active resident personnel are present to enforce whatever legal protection may exist. There is no legal protection for the tortoise from local consumption. According Dr. Morafka's report, the enforcement of existing trade restrictions is also lacking.

5. *Other natural or manmade factors affecting its continues existence.*—Not applicable.

EFFECTS OF THE RULEMAKING

Endangered species regulations already published in title 50 of the Code of Federal Regulations set forth a series of general prohibitions and exceptions which apply to all endangered species. The regulations referred to above, which pertain to endangered species, are found at § 17.21 of title 50, and are summarized below.

With respect to the Bolson tortoise, all prohibitions of section 9(a)(1) of the Act, as implemented by 50 CFR 17.21, would apply. These prohibitions, in part, would make it illegal for any person subject to the jurisdiction of the United States to take, import or export, ship in interstate commerce in the course of a commercial activity, or sell or offer for sale this species in interstate or foreign commerce. It also would be illegal to possess, sell, deliver, carry, transport, or ship any such wildlife which was illegally taken. Certain exceptions would apply to agents of the Service and State conservation agencies.

Regulations published in 50 CFR Part 17 (1977) provide for the issuance of permits to carry out otherwise prohibited activities involving endangered or threatened species under certain circumstances. Such permits involving endangered species are available for scientific purposes or to enhance the propagation or survival of the species. In some instances, permits may be issued during a specified period of time to relieve undue economic hardship which would be suffered if such relief were not available.

Public Comments Solicited

The Director intends that the rules finally adopted will be as accurate and effective as possible in the conservation of any endangered or threatened species. Therefore, any comments or suggestions from the public, other concerned governmental agencies, the scientific community, industry, private interests, or any other interested party concerning any aspect of these proposed rules are hereby solicited. Comments particularly are sought concerning:

(1) Biological or other relevant data concerning any threat (or the lack thereof) to the Bolson tortoise;

(2) Additional information concerning the range and distribution of this species.

Final promulgation of the regulations on the Bolson tortoise will take into consideration the comments and any additional information received by the Director, and such communications may lead him to adopt final regulations that differ from this porposal.

An environmental assessment has been prepared in conjunction with this proposal. It is on file in the Service's Office of Endangered Species, 1612 K Street NW., Washington, D.C., and may be examined during regular business hours or obtained by mail. A determination will be made at the time of final rulemaking as to whether this is a major Federal action which would significantly affect the quality of the human environment within the meaning of section 102(2)(C) of the National Environment Policy Act of 1969.

The primary author of this proposed rulemaking is Dr. C. Kenneth Dodd, Jr., Office of Endangered Species, 202-343-7814.

Regulations Promulgation

Accordingly, it is hereby proposed to amend part 17, subchapter B of chapter I, title 50 of the Code of Federal Regulations, as set forth below:

1. It is proposed to amend § 17.11(i) by adding, in alphabetical order under "Reptiles," the following to the list of animals:

§ 17.11 Endangered and threatened wildlife.

Species			Range				
Common name	Scientific name	Population	Known distribution	Portion of range where endangered or threatened	Status	When listed	Special rules
REPTILES							
Tortoise, Bolson	Gopherus flavomarginatus	NA	Mexico	Entire	E		N/A

NOTE.—The Service has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11949 and OMB Circular A-107.

Dated: September 18, 1978.

ROBERT S. COOK,
Acting Director,
Fish and Wildlife Service.

[FR Doc. 78-26994 Filed 9-25-78; 8:45 am]

federal register

TUESDAY, SEPTEMBER 26, 1978
PART VIII

DEPARTMENT OF LABOR

Office of Pension and Welfare Benefit Programs

■

EMPLOYEE BENEFIT PLANS

Proposed Revision of Schedule B (Actuarial Information)

[4510-29]

DEPARTMENT OF LABOR

Office of Pension and Welfare Benefit Programs

EMPLOYEE BENEFIT PLANS

Proposed Revision of Schedule B (Actuarial Information)

AGENCY: Department of Labor.

ACTION: Notice of proposed revision of form.

SUMMARY: This document contains a proposed revision of schedule B (actuarial information) which is attached by certain employee benefit plans to the annual return/report filed on forms of the 5500 series. All employee benefit pension plans which are subject to the minimum funding standards of the Employee Retirement Income Security Act of 1974 (ERISA) must file a completed schedule B as an attachment to their annual return/report.

DATE: Written comments must be received by the Department of Labor (the Department) on or before November 6, 1978.

ADDRESSES: Written comments (preferably six copies) should be addressed to: "Schedule B Comments," Office of Regulatory Standards and Exceptions, Pension and Welfare Benefit Programs, Labor Management Services Administration, U.S. Department of Labor, Room C4526, Washington, D.C. 20216.

All written comments will be available for public inspection at the Public Documents Room, Pension and Welfare Benefit Programs, Department of Labor, Room N4077, 200 Constitution Avenue NW., Washington, D.C. 20216.

FOR FURTHER INFORMATION CONTACT:

Lottie Lisle, Office of Regulatory Standards and Exceptions, Pension and Welfare Benefit Programs, U.S. Department of Labor, Room N-4461, Washington, D.C. 20216, 202-523-9211. This is not a toll-free number.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the Department has under consideration proposed revisions to schedule B (actuarial information) which must be filed as an attachment to the annual return/report (5500 series) by all defined benefit pension plans that are subject to the minimum funding standards of part 3 of title I of ERISA and section 412 of the Internal Revenue Code of 1954, as amended.

Section 103(d) of ERISA generally requires that the annual report filed by a plan subject to the minimum funding standards of ERISA shall include an actuarial statement. The Department has implemented this statutory provision by adopting Schedule B to the annual return/report. The schedule requires the disclosure of, among other things, accumulated funding deficiency, value of plan assets, accrued liabilities, unfunded accrued liabilities, vested benefits (if calculated), and charges and credits to the funding standard account.

Section 103 (d)(6) of ERISA requires that the actuarial statement include the present value of the plan's liabilities for nonforfeitable pension benefits allocated by the termination priority categories set forth in section 4044. Under the authority of section 104(a)(2)(A) of ERISA the Department has waived the requirements of section 103(d)(6) for plan years beginning in 1975, 1976, and 1977. In order to waive this requirement the Secretary must find that the interests of plan participants are not harmed thereby and the expense of compliance with the requirements of section 103(d)(6) is not justified by the needs of the participants, the Pension Benefit Guaranty Corporation and the Department. The Department has tentatively determined that the information which would be submitted in response to questions 5 (d), (e), and (f) of the proposed schedule B would provide sufficient information with respect to plan liabilities. Therefore, if questions 5 (d), (e), and (f) are adopted, the Department contemplates issuing a permanent waiver from the requirements of section 103(d)(6).

Part 3 of ERISA and section 412 of the Code contain minimum funding standards for certain pension plans. In order to satisfy these standards, contributions must generally be made to such plans for each plan year. The amount of these contributions must be determined by using an "actuarial cost method," defined in section 3(31) of ERISA to mean a recognized actuarial technique utilized for establishing the amount and incidence of the annual actuarial cost of pension plan benefits and expenses. Section 3(31) lists several acceptable actuarial costs methods that may be used in determining the annual contributions to be made to a plan, but does not require the plan to use any particular one of these actuarial cost methods in determining annual contributions.

Under the present schedule B, the "accrued liabilities" disclosed on the form generally are calculated using the same actuarial cost method that is used in determining the annual contributions that must be made to the plan under the minimum funding standards. The "value of vested benefits" that is currently disclosed may also be calculated using this same method, or it may be calculated using one of the other acceptable actuarial methods. Both of these figures are usually current to the last actuarial valuation date. Other financial data on the form 5500, however, including the current value of plan assets, are reported current to the end of the plan year.

Because of the lack of a uniform basis for calculations and the difference in timing of certain actuarial and plan financial data, the information provided in schedule B is less useful to interested persons as a measure of the adequacy of the assets of any particular pension plan to meet its benefit obligations. In addition, certain methods have been used to calculate the present value of accrued benefits which are appropriate for funding calculations but may be less appropriate for determining the present value of accrued benefits. Accordingly, in order to achieve uniformity and to provide what the Department tentatively believes is the most appropriate method for calculating the present value of accrued benefits, the revised instructions to the schedule B, if adopted as herein proposed, would require plan actuaries, in calculating the present value of accrued benefits, to use a single method and to have the calculations reflect the condition of the plan as of the end of the plan year.

Other changes are also designed to aid interested persons in determining the benefit obligation of an ongoing pension plan. For example, the revised schedule would require that information with respect to the present value of vested benefits be provided separately for (1) retired participants and beneficiaries receiving payments, and (2) other participants. A further revision would require that the present value of nonvested accrued benefits be disclosed on a historical basis (i.e., based on service performed by, and compensation earned by, employees prior to the end of plan year). The present value of additional accrued benefits due to certain projections would also be disclosed.

It should be noted that under the proposal, the figures that would be required by questions 5 (d), (e), and (f) would be provided for plan years beginning in 1978 only if calculated by the plan actuary. For plan years beginning in 1979, it is proposed that responses to questions 5 (d), (e), and (f) be mandatory for all plans with 100 or more participants. The schedule would be further revised to require the disclosure of actuarial methods and assumptions on the schedule itself. Presently that information is provided as an attachment to the schedule. This revision should not impose any additional cost to plans but should aid the Department in computerizing and analyzing schedule B data.

PROPOSED FORM

Accordingly, it is proposed that pursuant to the authority in sections 103(d) and 109(a), of the Act, schedule B to the annual return/report (5500 series) and the instructions thereto be amended as follows:

SCHEDULE B
(Form 5500)
Department of the Treasury
Internal Revenue Service
Department of Labor
Pension and Welfare Benefit Programs
Pension Benefit Guaranty Corporation

Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, and section 6059(a) of the Internal Revenue Code, referred to as the Code.

▶ Attach to Forms 5500, 5500–C and 5500–K if applicable.

1978

This Form is Open to Public Inspection

For plan year beginning ...., 1978 and ending ...., 19

▶ Please complete every applicable item on this form. If an item does not apply, enter "N/A."
▶ Round off amounts to nearest dollar.

Name of plan sponsor as shown on line 1(a) of Form 5500, 5500–C or 5500–K | Employer identification number

Name of plan | Enter three digit plan number ▶

	Yes	No
1 Has a waiver of a funding deficiency for the current plan year been approved by the IRS?		
If "Yes," attach a copy of the IRS approval letter.		
2 Is a waived funding deficiency of a prior plan year being amortized in the current year?		
3 Have any of the periods of amortization for charges described in section 412(b)(2)(B) of the Code been extended by DOL?		
If "Yes," attach a copy of the DOL approval of extension letter.		
4 (a) Has the shortfall funding method been used?		
(b) (i) If (a) is "Yes," has the deferral of the amortization of the shortfall gain (loss), beyond the plan year following the year in which the shortfall gain (loss) arose, been elected?		
(ii) If (a) is "Yes," has the deferral of the amortization of the actuarial gain (loss), beyond the first plan year after valuation, been elected?		

5 Operational information: (a) Enter most recent actuarial valuation date ▶

(b) Enter date(s) and amount of contributions received this plan year for prior plan years and not previously reported:
Date(s) ▶ ...., Amount ▶

(c) Current value of the assets accumulated in the plan as of the end of the plan year

(d) Present value of vested benefits as of the end of plan year: [1]

(i) For retired participants and beneficiaries receiving payments

(ii) For other participants

(iii) Total

(e) Present value of nonvested accrued benefits (historical) as of end of plan year [1]

(f) Present value of additional accrued benefits (projected) as of end of plan year [1]

(g) Number of persons covered (included in the most recent actuarial valuation): (i) Active participants

(ii) Terminated participants with vested benefits

(iii) Retired participants and beneficiaries of deceased participants

6 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Month Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month Year	(b) Amount paid by employer	(c) Amount paid by employees
			Total . . .		

7 Funding standard account and other information:

(a) Accrued liabilities as determined for funding standard account as of (enter date) ▶

(b) Value of assets as determined for funding standard account as of (enter date) ▶

(c) (i) Actuarial gains or (losses) for period ending ▶

(ii) Shortfall gains or (losses) for period ending ▶

(d) Accumulated funding deficiency at end of plan year (amount of contribution certified by the actuary as necessary to reduce the funding deficiency to zero), from 8(m) or 9(g)

Statement by Enrolled Actuary (see instructions before signing):

To the best of my knowledge, the information supplied in this schedule and on the accompanying statement, if any, is complete and accurate, and in my opinion the assumptions used in the aggregate (a) are reasonably related to the experience of the plan and to reasonable expectations, and (b) represent my best estimate of anticipated experience under the plan.

Signature of actuary | Date

Print or type name of actuary | Enrollment number

Address | Telephone number (including area code)

8 Funding standard account statement for plan year ending ▶..........

Charges to funding standard account:

(a) Prior year funding deficiency, if any . . . . ______

(b) Employer's normal cost for plan year . . . . ______

(c) Amortization charges (outstanding balance at beginning of plan year ▶ $..........) . . . . . ______

(d) Interest on (a), (b) and (c) . . . . ______

(e) Total charge, sum of (a) through (d) . . . . ______

Credits to funding standard account:

(f) Prior year credit balance, if any . . . . ______

(g) (i) Employer contributions (total from column (b) of item 6) . . . . ______

(ii) Employer contributions received this plan year for prior plan years and not previously reported . . ______

(h) Amortization credits (outstanding balance at beginning of plan year ▶ $..........) . . . ______

(i) Interest on (f), (g) and (h) . . . . ______

(j) Other (specify) ▶.......... ______

(k) Total credits, sum of (f) through (j) . . . . ______

Balance:

(l) Credit balance, excess, if any, of (k) over (e) . . . . ______

(m) Funding deficiency, excess, if any, of (e) over (k) . . . . ______

9 Alternative minimum funding standard account (omit if not used):

(a) Was the entry age normal cost method used to determine entries in item 8 above? . . . . ☐ Yes ☐ No

If "No," omit (b) through (g) below.

(b) Normal cost . . . . ______

(c) Excess, if any, of value of accrued benefits over market value of assets . . . . ______

(d) Interest on (b) and (c) . . . . ______

(e) Employer contributions (total from column (b) of item 6) . . . . ______

(f) Interest on (e) . . . . ______

(g) Funding deficiency, excess, if any, of the sum of (b) through (d) over the sum of (e) and (f) . . . . ______

10 Checklist of actuarial methods:

(a) ☐ Attained age normal cost (b) ☐ Entry age normal (c) ☐ Accrued benefit cost (unit credit)

(d) ☐ Aggregate cost (e) ☐ Frozen initial liability (f) ☐ Individual level premium cost

(g) ☐ Other (specify) ▶

11 Checklist of certain actuarial assumptions:

	Used for item 5(d) through (f) value of accrued benefits			Used for item 7, 8 or 9 funding standard account		
	Pre-retirement		Post-retirement	Pre-retirement		Post-retirement
(a) Rates specified in insurance or annuity contracts	☐ Yes ☐ No		☐ Yes ☐ No	☐ Yes ☐ No		☐ Yes ☐ No
(b) Mortality table code:						
(i) Males						
(ii) Females						
(c) Interest rate	%		%	%		%
(d) Retirement age						
(e) Expense loading	%		%	%		%
(f) Annual withdrawal rate:[2]	Male	Female		Male	Female	
(i) Age 25	%	%		%	%	
(ii) Age 40	%	%		%	%	
(iii) Age 55	%	%		%	%	
(g) Ratio of salary at normal retirement to salary at age:[3]						
(i) Age 25	%	%		%	%	
(ii) Age 40	%	%		%	%	
(iii) Age 55	%	%		%	%	

(h) Was a social security benefit increase assumption used if the plan has a social security offset provision?[3] . . . . ☐ Yes ☐ No ☐ N/A

(i) Is a schedule of actuarial assumptions attached? . . . . ☐ Yes ☐ No ☐ N/A

[1] Provide these figures for 1978 plan year, if calculated. Beginning with the 1979 plan year disclosure of these figures is mandatory for all plans filing a Schedule B with 100 or more participants.
[2] This assumption is not to be used in item 5(d).
[3] These assumptions are not to be used in items 5(d) and (e).

☆ U.S. GOVERNMENT PRINTING OFFICE : 1978—O-263-188

Department of the Treasury Internal Revenue Service | Department of Labor Pension and Welfare Benefit Programs | Pension Benefit Guaranty Corporation

1978 Instructions for Schedule B (Form 5500)

Actuarial Information

(Code references are to the Internal Revenue Code. ERISA refers to the Employee Retirement Income Security Act of 1974.)

General Intructions

Who Must File.—The employer or plan administrator of a defined benefit plan that is subject to the minimum funding standards (see section 412 of the Code and Part 3 of Title I of ERISA) must file this schedule as an attachment to the annual return/report filed for plan years beginning on or after January 1, 1976. Plans maintained on January 1, 1974, pursuant to one or more collective bargaining agreements entered into before September 2, 1974, are not subject to the minimum funding standards for plan years beginning before the earlier of the termination of the collective bargaining agreement(s) or January 1, 1981.

For split-funded plans, the costs and contributions reported on Schedule B should include those relating to both trust funds and insurance carriers.

Specific Instructions

(References are to line items on the form.)

4(a). A collectively bargained plan only may elect the shortfall funding method (see regulations under section 412 of the Code). Advance approval from the IRS of the election of the shortfall method of funding is NOT required if it is first adopted on or before the later of (i) the first plan year to which section 412 of the Code applies or (ii) the last plan year commencing before December 31, 1980. However, advance approval from IRS is required, if adopted at a later time or if discontinued.

4(b). Advance approval from IRS of the election to defer the amortization of the shortfall gain (loss) and/or the amortization of the actuarial gain (loss) is required for a plan year, subsequent to the first plan year to which the shortfall method applies. Advance approval from IRS is required for discontinuance.

5(a). The valuation for a plan year may be as of any date in the year, including the first and last. Valuations must be performed within the period specified by section 103(d) of ERISA and section 6059(a) of the Code.

5(b). Not applicable to the first plan year to which the minimum funding standards apply.

5(c). Enter current value of total assets as of the end of the plan year, as shown in item 13 on Form 5500, 5500–C or 5500–K.

5(d) through (f). Schedule B for plan years beginning in 1979 will require that the information indicated in 5(d), (e) and (f) be completed for all plans with 100 or more participants, in accordance with these instructions. Plans with fewer than 100 participants are to supply these figures if calculated. For plan years beginning in 1978, the information is required only to the extent it has been calculated. If the value indicated in item (d) has been calculated as of the end of the plan year beginning in 1978, it should be entered regardless of whether it has been determined according to these instructions.

Each separate actuarial assumption used in calculating the value of accrued benefits should explicitly reflect the expectations applicable to the organization or industry involved, on the basis of an ongoing—rather than terminating—plan. For example, the interest rate assumption should reflect the expected investment return on plan assets over the expected benefit payout period. The actuary shall take into account rates of early retirement and the plan's early retirement provisions as they relate to the accrued benefits, where these would significantly affect the results. See instructions for item 11 for further requirements concerning actuarial assumptions.

Where significant, the value of accrued benefits shall be increased by the value of any subsidized early retirement benefits, disability benefits, and death benefits which are related to the accrued benefit. The value of accrued benefits should also be increased by the value of a cost-of-living clause if such a clause is currently part of the benefit formula.

The values should be determined as of the end of the plan year; projected estimates as of the end of the plan year based upon the most recent actuarial valuation may be used, if the actuary believes this provides a reasonable estimate of values as of the end of the plan year. If a projection is used, no withdrawals and no new entrants to the workforce should be assumed without supporting data for the projection period. Values should reflect all amendments adopted or finally agreed to during the plan year.

In determining whether estimates from the last valuation date to the end of the plan year are reasonable the actuary should consider:

(i) any indication of a need to make significant changes in the actuarial assumptions (e.g. change in the demographic composition of the group);
(ii) any plan amendment since the last valuation;
(iii) a full or partial termination of the plan;
(iv) a merger with another plan;
(v) a spin-off.

Omit from items 5(d), 5(e) and 5(f) liabilities fully funded by annuity and insurance contracts other than any contract funds not allocated to individuals.

5(d). Include the value of all vested accrued benefits. 5(d)(i) should include the value of vested benefits for all retired participants. 5(d)(ii) should include all value of vested benefits for other participants. 5(d)(iii) is the sum of 5(d)(i) and (ii). Withdrawal rates should not be incorporated in these calculations.

5(e). Include the value of the excess, for all participants, of the value of all accrued benefits over the value of their vested benefits included in (d). The term "accrued benefit" means the individual's accrued benefit determined under the plan as required by section 204 of ERISA. Withdrawal rates should normally be incorporated in these calculations.

5(f). This line may be omitted if benefits attributable to service accrued to date will not vary if pay or service changes, and if the plan does not provide (i) uninsured benefits related to death or disability, or (ii) early retirement benefits substantially greater than actuarially equivalent benefits.

Include the value of the excess, for all active participants, of the increased value of all accrued benefits as defined in (d) and (e) due to certain projections. The calculation is identical to that shown in items 5(d) and (e), modified to incorporate a projection of salary increases and increases in Social Security covered earnings or benefits (but not future amendments to Social Security law) where the accrued normal retirement benefit is contingent upon an unknown level of (i) future compensation and/or (ii) Social Security covered earnings or benefits, and further modified to reflect any increased value of subsidized early retirement, death and disability benefits over the figures included in 5(d) and (e) calculations.

6. Show all employer and employee contributions for the plan year, and employer contributions made not later than $2\frac{1}{2}$ months (or such later date allowed under section 412(c)(10) of the Code and section 302(c)(10) of ERISA) after the end of the plan year.

7(a). If the aggregate cost or frozen initial liability method is used, enter "N/A".

7(b). Enter the value of assets determined in accordance with section 412(c)(2) of the Code or 302(c)(2) of ERISA.

7(c)(i). If the aggregate cost or frozen initial liability method is used, enter "N/A".

7(c)(ii). For the methods to be used to determine the shortfall gain (loss) see the regulations under section 412 of the Code.

7(d). Insert amount from item 8(m). However, if the alternative method is elected, and item 9(g) is smaller than item 8(m), enter the amount from item 9(g). File Form 5330 with the Internal Revenue Service to pay the 5% excise tax on the funding deficiency.

Statement by Enrolled Actuary

In lieu of signing the statement, an enrolled actuary may attach a signed statement containing the name, address, enrollment number, telephone number and the actuary's opinion that the assumptions used in preparing Schedule B are in the aggregate reasonably related to the experience of the plan and to reasonable expectations, and represent his or her best estimate of anticipated experience under the plan and to the best of his or her knowledge the report is complete and accurate. In addition, the actuary may offer any other comments related to the information contained in Schedule B.

8. Under the shortfall method of funding, the Normal Cost in the funding standard account, is the charge per unit of production (or per unit of service) multiplied by the actual number of units of production (or units of service) which occurred during the plan year. Each amortization installment in the funding standard account is similarly calculated. For a plan maintained by more than one employer, the amortization of the shortfall gain (loss) and the actuarial gain (loss) may be deferred. See regulations under section 412 of the Code.

8(b). If no valuation was made for the current year, enter the normal cost calculated in the most recent actuarial valuation, or the estimated cost for the current year based on such valuation. If amounts are not as of the date of the most recent actuarial valuation, indicate in the Statement of Actuarial Assumptions and Methods how the amounts shown were determined.

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9(a). If the entry age normal cost method was not used to determine the entries in item 8, the alternative minimum funding standard account may not be used.

9(c). The value of accrued benefits should exclude benefits accrued for the current plan year. The market value of assets should be reduced by the amount of any contributions for the current plan year.

10. Enter only the primary method used. If the plan uses one actuarial cost method in one year as the basis of establishing an accrued liability for use under the frozen initial liability method in subsequent years, answer as if the frozen initial liability method were used in all years.

11. Complete all blanks. Enter N/A if not applicable. For the assumptions used for calculating the figures in 5(d) through (f), each assumption must be individually reasonable. If the assumptions for the calculation of these figures differ from those used for calculating the figures in questions 7, 8, and 9, explain, in the attached Statement of Actuarial Assumptions, the reasons for the differences and an estimate of the approximate effect.

11(a). Check "Yes" if rates in contract were used (e.g. purchase rates at retirement).

11(b). Enter Code as follows:

Table	Code
1937 Standard Annuity	1
a–1949 Table	2
Progressive Annuity Table	3
1951 Group Annuity	4
1971 Group Annuity Mortality	5
1971 Individual Annuity Mortality	6
UP–1984	7
Other	8
None	9

Where an indicated table consists of separate tables for males and females, add F to the female table (e.g. 4F). When a projection is used with a table, follow the code with "P" and the year of projection (omit year if projection unrelated to a single calendar year); the identity of the projection scale should be omitted. When an age set back or set-forward is used, indicate with "−" or "+" and the years. For example, if for females the 1951 Group Annuity Table with Projection C to 1971 is used with a 5-year setback, enter "4P71–5." If the table is not one of those listed, enter "8" with no further notation. If the valuation assumes a maturity value to provide the post-retirement income without separately identifying the mortality, interest and expense elements, under "post-retirement" enter on 11(b) the value of $1.00 of monthly pension beginning at the age shown on 11(d) assuming the normal form of annuity for an unmarried person; in this case enter "N/A" on 11(c) and 11(e).

11(c). Enter assumption as to expected interest rate (investment return). If the assumed rate varies with the year, enter the weighted average of the assumed rate for 20 years following the valuation date.

11(d). If each participant is assumed to retire at his normal retirement age, enter "NRA"; otherwise enter the assumed retirement age. If the valuation uses rates of retirement at various ages, enter the estimated average whole age at which participants are assumed to retire.

11(e). If there is no expense loading, enter 0. If there is a single expense loading not separately identified as pre-retirement or post-retirement, enter it under pre-retirement and enter "N/A" under post-retirement. Where expenses are assumed other than as a percent of plan costs or liabilities, enter the assumed expense as a percent of the calculated normal cost.

11(f). Enter rates to nearest 0.1%. For value of accrued benefits, withdrawal rates should not be used for vested benefits and nonvested benefits (historical); rate shown will be that used for nonvested benefits (projected). If select and ultimate rates which vary with both age and years of service are used, enter rates for a new participant at the age shown and enter "S" before the rate.

11(g). Enter salary increase rate for the age indicated to the nearest 0.1%. For value of accrued benefits, salary increase assumption is only to be used for projected total accrued benefits, and the assumption used for that purpose should be indicated.

11(h). For plans with social security offset provisions, indicate whether an assumption has been made concerning projected increases in social security benefits related to increases in the taxable wage base and/or the Consumer Price Index.

Statement of Actuarial Assumptions and Methods

Attach a statement of actuarial assumptions used (if not fully described by item 11), actuarial methods used to determine (i) the normal cost and liabilities shown in items 5, 7, 8 and 9 (if not fully described by item 10) and (ii) the value of assets shown on line 7(b). The statement is to include a summary of the principal eligibility and benefit provisions upon which the valuation was based, an identification of benefits not included in the calculation, and other facts, such as any change in actuarial assumptions or cost methods and justifications for any such change. Include also such other information, if any, needed to fully and fairly disclose the actuarial position of the plan.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1978—O-263-518

Signed at Washington, D.C., this 20th day of September 1978.

J. VERNON BALLARD,
Deputy Administrator, Pension and Welfare Benefit Programs, Labor-Management Services Administration.

[FR Doc. 78-26842 Filed 9-20-78; 3:15 pm]