

**ERRATA TO
SOLUTIONS FOR THE
2003 EA-2B EXAM**

Question 13: In the question itself, the plan year-end for plan B should be 1/31 (not 12/31). So, the values given are as of 1/31/2002 and 1/31/2003 (not 12/31/2001 and 12/31/2002). This has been corrected in the questions available on the ASM web site.

The following additional explanation should be added to the solution: PBGC Technical Update 96-3, Q&A 12 presents a chart indicating whether market value or actuarial value of assets are to be used, as well as what interest rate is to be used to determine the liability. In this question, it is not known what method (general or alternative) was used to determine the PBGC premium. So, the only option in the chart is to use the optional ERISA 4010 assumptions. Therefore, the market value of assets, unreduced by the credit balance, is used. The value of vested benefit is determined using 100% of the 30-year Treasury rate.

Question 21: Revenue Ruling 2001-62 provides an exception to the rule protecting accrued benefits under IRC section 411(d)(6) to the extent that the applicable mortality table is changed to the new 1994 GAR table. As a result, it is unnecessary to determine the lump sum value using the pre-21/31/2002 assumptions. This has no impact on the final answer to the question.