

What's New!

ProAdmin®

ProAdmin version 2.03

November 2007

ProAdmin version 2.03 introduces the ability to reflect spot interest rates, annuitant and non-annuitant mortality, and the 417(e) segment rate phase-in per the Pension Protection Act of 2006 (PPA). You'll find details about these and other enhancements below.

Interest Rates

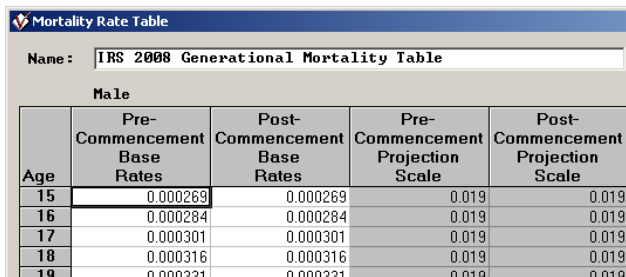
- ◆ ProAdmin now supports spot (as opposed to the standard forward) interest rates such as those used under the Pension Protection Act of 2006.

[Spot Interest Rates](#), page 5

- ◆ ProAdmin now properly handles interest rate table files that include tabs, line feeds and end of line characters.
- ◆ When displaying interest rate tables, ProAdmin now chops the output so it wraps on a page.

Mortality Tables

- ◆ Pre/post-commencement mortality tables are now available. This is useful for proposed IRS 2008 mortality as well as 0 pre-commencement mortality.

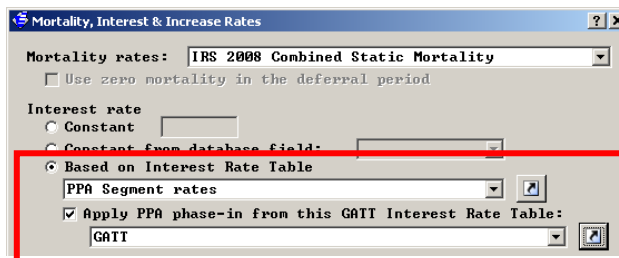


| Age | Pre-Commencement Base Rates | Post-Commencement Base Rates | Pre-Commencement Projection Scale | Post-Commencement Projection Scale |
|-----|-----------------------------|------------------------------|-----------------------------------|------------------------------------|
| 15 | 0.000269 | 0.000269 | 0.019 | 0.019 |
| 16 | 0.000284 | 0.000284 | 0.019 | 0.019 |
| 17 | 0.000301 | 0.000301 | 0.019 | 0.019 |
| 18 | 0.000316 | 0.000316 | 0.019 | 0.019 |
| 19 | 0.000331 | 0.000331 | 0.019 | 0.019 |

- ◆ Four new tables have been added to the Mortality Rates library.
 - IRS 2008 Static Mortality Table
 - IRS 2008 Generational Mortality Table
 - IRS 2008 Combined Static Mortality
 - UP-1994 Projected to 2015 with Projection Scale AA (useful for Canadian Solvency Liability)

Annuity Factor Components

- ◆ Annuity factor components are now available as accrual basis components as well as benefit formula components.
- ◆ Annuity factors can now be calculated by applying the transition rules under the Pension Protection Act of 2006 (PPA). This is useful for doing more accurate benefit projections than referencing an interest rate table that is already a weighted average.



Mortality rates: IRS 2008 Combined Static Mortality

Use zero mortality in the deferral period

Interest rate

Constant

Constant from database field:

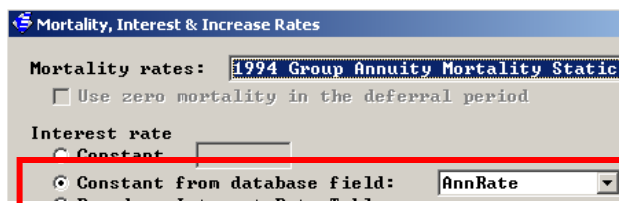
Based on Interest Rate Table

PPA Segment rates

Apply PPA phase-in from this GAIT Interest Rate Table:

GAIT

- ◆ Annuity factors can now be based on a constant interest rate taken from a database field.



Mortality rates: 1994 Group Annuity Mortality Static

Use zero mortality in the deferral period

Interest rate

Constant

Constant from database field: AnnRate

- ◆ Detailed results for annuity factors now includes the 2nd, 3rd and 4th interest rates if applicable. For PPA segment rates, the 3 segment rates will show if they differ from each other. The 4th interest rate may be applicable when a separate interest rate applies during the deferral period.

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Interest Factor Components

- ◆ Interest factor components are now available as accrual basis components as well as benefit formula components.
- ◆ Interest factors can now be based on a constant interest rate taken from a database field.

Interest Rates dialog box showing the 'Constant from database field' option selected with 'AnnRate' in the dropdown menu.

Actuarial Equivalence

- ◆ Actuarial equivalence library entries can now be parameterized to reflect the phase-in from GATT to segment rates per the Pension Protection Act of 2007. When this option is selected, the applicable interest rate varies based on the plan year (from Plan Definition > Plan Attributes) at benefit commencement, as follows:

| Plan Year | GATT Rate | Segment Rates |
|-----------|-----------|---------------|
| <= 2007 | 100% | 0% |
| 2008 | 80 | 20 |
| 2009 | 60 | 40 |
| 2010 | 40 | 60 |
| 2011 | 20 | 80 |
| >=2012 | 0 | 100 |

Actuarial Equivalence dialog box showing the 'Apply PPA phase-in from this GATT Interest Rate Table' checkbox checked and 'GATT' selected in the dropdown menu.

With this enhancement, the PPA phase-in is effectively available for plan actuarial equivalence, minimum lump sum calculations, and alternative 417(e) actuarial equivalence for certain only and Social Security level income options.

- ◆ The Plan Definitions > Plan Attributes lump sum equivalence (i.e., relative value) parameters now reference the Actuarial Equivalence library. If the interest and mortality parameters previously specified were equivalent to an actuarial equivalence library entry, that entry is now referenced. Or, if necessary, a new actuarial equivalence library entry was created upon updating to this version 2.03.

Lump Sum Equivalence Parameters dialog box showing 'Actuarial Equivalence Interest & Mortality' set to 'PPA Target with phase-in' and 'Factors based on age' set to 'Nearest'.

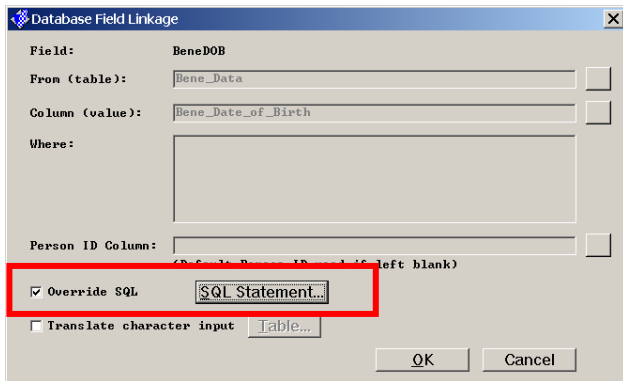
Output Definitions

- ◆ When a benefit detail output definition item is parameterized to return the salaries that generated the high final average salary (FAS), you can now specify that all salaries in the considered period will be returned, not just those generating the high FAS. A new field (InHighFAS) will be returned with a binary flag for each salary: 1 if it was used in the high FAS calculation, 0 otherwise.

Benefit Detail dialog box showing the 'Return salaries reflected in highest final average' checkbox checked, with the 'Return all considered salaries' sub-checkbox also checked.

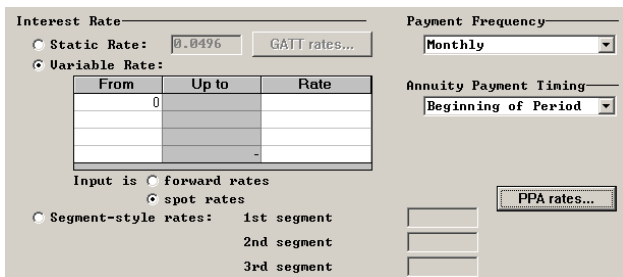
Database Linkage

- You can now optionally right your own SQL statement to retrieve data.



Tools > Administration Factors

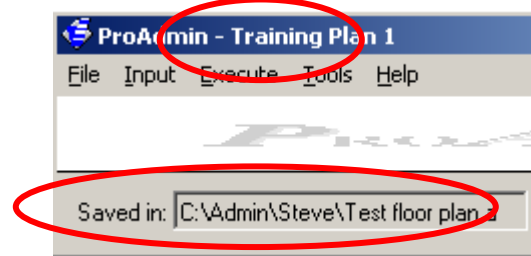
- Annuity and conversion factors can now be calculated using spot interest rates or PPA segment rates. In addition, mortality tables that differ pre- and post-commencement can be referenced.



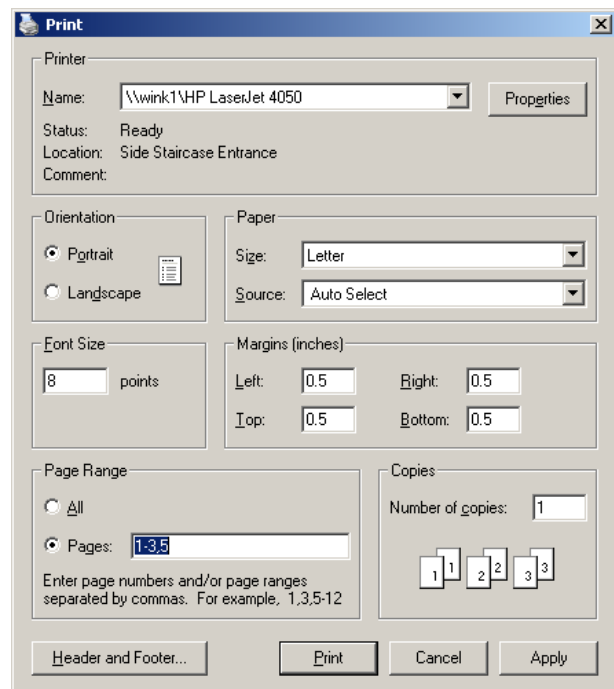
System

- The ProVal installation procedure has been upgraded to:
 - Eliminate the need to manually install the "ProVal" font under Windows 2000.
 - Incorporate the sentinel driver installation, making it unnecessary to perform as a separate step.
 - Install shortcuts so that they are available to all users on a multi-user machine (e.g., under Windows XP).
- The version of APL underlying ProAdmin has been upgraded.
- The client name (e.g., "ABC Demo") has been moved from the status bar (bottom of window) to the caption (top of window). In its place, the folder the client is saved in (e.g.,

"c:\...\abcdemo") now appears in the status bar. This makes it easier to see which client is open and will hopefully prevent accidentally working with the wrong copy of a client (e.g., c:\ vs. g:\).



- You can now print selected pages (e.g., 1-3,5), rather than having to print out every page of a long listing. Also, you can now change the printer, orientation, paper, and copies without having to click the Setup... button.



Changes Log

- Be sure to read the changes log (see What's New in Help or the ADMCHG.LOG file in the ProAdmin directory) about updates to certain calculations that may change results.

New Members of the Team

Chavela Groves recently joined the WinTech team. Chavela has some actuarial background and many years of experience with both large and small benefit administration systems. She has already shown herself to be a fantastic resource for our ProAdmin and PensionASAP clients.

Sue Kalman has just joined the WinTech team. Sue has used ProVal for nearly a dozen years and her testing skills are nothing short of legendary. Sue is looking forward to learning ProAdmin and PensionASAP and we are looking forward to having her as a resource!

WinTech

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Spot Interest Rates

ProAdmin now supports spot interest rates such as those used for minimum lump sum calculations under the Pension Protection Act of 2006. Similarly to all interest rates in ProAdmin, the table of historical rates is maintained outside of the system and referenced, and optionally adjusted, through the Interest Rate Tables library.

The file name for spot interest rates must contain “_spot” immediately before the file extension. For example, segment_spot.csv and yield_curve_spot.txt are both valid spot interest rates file names.

Within the file of spot interest rates, each row must contain at least three values and must have an odd number of values. Each row may have a different number of values. The first value is the year. It must be an integer between 1900 and 2200, inclusive. The second value is the month. It must be an integer between 1 and 12, inclusive. The third, 5th, 7th, etc. values are the interest rates. The 4th, 6th, 8th, etc. values are durations for the interest rate in the previous column. They must be positive integers between 1 and 99, inclusive.

A partial example of a valid spot interest rate table with tab delimiters is as follows:

| | | | | | | | | |
|------|----|--------|----|--------|----|--------|----|--------|
| 1997 | 8 | 0.04 | 10 | 0.05 | 12 | 0.04 | | |
| 1997 | 9 | 0.04 | 10 | 0.0475 | 13 | 0.04 | 15 | 0.0475 |
| 1997 | 10 | 0.0425 | 20 | 0.05 | | | | |
| 1997 | 11 | 0.04 | 10 | 0.0475 | | | | |
| 1997 | 12 | 0.04 | 10 | 0.0475 | | | | |
| 1998 | 1 | 0.0425 | 10 | 0.0475 | | | | |
| 1998 | 2 | 0.0425 | 10 | 0.0475 | | | | |
| 1998 | 3 | 0.0425 | 10 | 0.0475 | 13 | 0.0425 | 15 | 0.0475 |
| 1998 | 4 | 0.0425 | 10 | 0.0475 | 14 | 0.0425 | 15 | 0.0475 |

Segment rates under the Pension Projection Act of 2006 would be specified as follows:

| | | | | | | |
|------|---|------|---|------|----|------|
| 2008 | 1 | 0.04 | 5 | 0.05 | 20 | 0.06 |
|------|---|------|---|------|----|------|

Since rates need not be specified for all durations, the first rate is used until the duration specified for the second rate, which is used until the duration specified for the third rate, etc. Only integral durations are supported, with the duration 1 associated with a payment 1 year in the future.

Spot rates can be referenced in ProAdmin for actuarial equivalence, payment forms and annuity factor components. They cannot be used for cash balance crediting or interest factors.

Note that when the sample life tables for payment forms shows an interest rate, for spot interest rates, only the first rate is shown.