

(2) Using unisex mortality rates that are a fixed blend of 50 percent of the male mortality rates and 50 percent of the female mortality rates from the 1983 Group Annuity Mortality Table as prescribed in Rev. Rul. 95-6, 1995-1 C.B. 80 (Cumulative Bulletins are available from the Superintendent of Documents, Government Printing Office, Washington, DC 20402);

(3) Without using the expected retirement age assumptions in Subpart D to part 2619 of this chapter;

(4) Without making the adjustment for expenses provided for in § 2619.49(a)(4) of this chapter; and

(5) By adding \$300, as an adjustment (loading) for expenses, for each missing participant whose designated benefit without such adjustment would be greater than \$3,500.

(j) Missing participant forms and instructions means PBGC Forms 501 and 602, Schedule MP thereto, and related forms, and their instructions.

(k) Missing participant lump sum assumptions means the interest rate assumptions and actuarial methods (using the interest rates for lump sum valuations in Appendix B to part 2619 of this chapter) for valuing a benefit to be paid by the PBGC as a lump sum under part 2619 of this chapter, applied—

(1) As if the deemed distribution date were the date of plan termination;

(2) Using mortality assumptions for healthy lives only (from Table I of Appendix A to part 2619 of this chapter, substituting  $x+1$  for  $x$ ); and

(3) Without using the expected retirement age assumptions in Subpart D to part 2619 of this chapter.

(l) Pay status means, with respect to a benefit under a plan, that the plan administrator has made or (except for administrative delay or a waiting period) would have made one or more benefit payments.

(m) Post-distribution certification means the post-distribution certification required by § 2616.29(b) or 2617.28(h) of this chapter.

(n) Plan administrator means the administrator as defined in section 4001(a)(1) of the Act.

(o) Recently-missing participant means a participant or beneficiary whom the plan administrator discovers to be a missing participant on or after the 90th day before the deemed distribution date.

(p) Unloaded designated benefit means the designated benefit reduced by \$300; except that the reduction shall not apply in the case of a designated benefit determined using the missing participant annuity assumptions

without adding the \$300 load described in paragraph (i)(5) of this section.

#### § 2629.3 Method of distribution for missing participants.

The plan administrator of a terminating plan shall distribute benefits for each missing participant by—

(a) purchasing from an insurer an irrevocable commitment that satisfies the requirements of § 2617.28(c) or § 2616.29(a)(1) of this chapter (whichever is applicable); or

(b) paying the PBGC a designated benefit in accordance with §§ 2629.4 through 2629.6 (subject to the special rules in § 2629.12).

#### § 2629.4 Diligent search.

(a) Search required. A diligent search shall be made for each missing participant whose designated benefit (or voluntary employee contributions under § 2629.12(d)(2)) is paid to the PBGC. The search shall be made before the payment is made.

(b) Diligence. A search is a diligent search only if the search—

(1) Begins not more than 6 months before notices of intent to terminate are issued and is carried on in such a manner that if the individual is found, distribution to the individual can reasonably be expected to be made on or before the deemed distribution date (or, in the case of a recently-missing participant, on or before the 90th day after the deemed distribution date);

(2) Includes inquiry of any plan beneficiaries (including alternate payees) of the missing participant whose names and addresses are known to the plan administrator; and

(3) Includes use of a commercial locator service to search for the missing participant (without charge to the missing participant or reduction of the missing participant's plan benefit).

#### § 2629.5 Designated benefit.

(a) Amount of designated benefit. The amount of the designated benefit shall be the amount determined under paragraph (a)(1), (a)(2), (a)(3), or (a)(4) of this section (whichever is applicable) or, if less, the maximum amount that could be provided under the plan to the missing participant in the form of a single sum in accordance with section 415 of the Code.

(1) Mandatory lump sum. The designated benefit of a missing participant required under a plan to receive a mandatory lump sum as of the deemed distribution date shall be the lump sum payment that the plan administrator would have distributed to the missing participant as of the deemed distribution date.

(2) De minimis lump sum. The designated benefit of a missing participant not described in paragraph (a)(1) of this section whose benefit is not in pay status as of the deemed distribution date and whose benefit has a *de minimis* actuarial present value (\$3,500 or less) as of the deemed distribution date under the missing participant lump sum assumptions shall be such value.

(3) No lump sum. The designated benefit of a missing participant not described in paragraph (a)(1) or (a)(2) of this section who, as of the deemed distribution date, cannot elect an immediate lump sum under the plan shall be the actuarial present value of the missing participant's benefit as of the deemed distribution date under the missing participant annuity assumptions.

(4) Elective lump sum. The designated benefit of a missing participant not described in paragraph (a)(1), (a)(2), or (a)(3) of this section shall be the greater of the amounts determined under the methodologies of paragraph (a)(1) or (a)(3) of this section.

(b) Assumptions. When the plan administrator uses the missing participant annuity assumptions or the missing participant lump sum assumptions for purposes of determining the designated benefit under paragraph (a) of this section, the plan administrator shall value the most valuable benefit, as determined under paragraph (b)(1) of this section, using the assumptions described in paragraph (b)(2) or (b)(3) of this section (whichever is applicable).

(1) Most valuable benefit. For a missing participant whose benefit is in pay status as of the deemed distribution date, the most valuable benefit is the pay status benefit. For a missing participant whose benefit is not in pay status as of the deemed distribution date, the most valuable benefit is the benefit payable at the age on or after the deemed distribution date (beginning with the participant's earliest early retirement age and ending with the participant's normal retirement age) for which the present value as of the deemed distribution date is the greatest. The present value as of the deemed distribution date with respect to any age is determined by multiplying:

(i) The monthly (or other periodic) benefit payable under the plan; by

(ii) The present value (determined as of the deemed distribution date using the missing participant annuity assumptions) of a \$1 monthly (or other periodic) annuity beginning at the applicable age.