

Please brief this information about CARP especially to those considering retiring this year. It might make the difference as to when they do.

Remember 1 thing--- the month you choose to retire is not the month you collect your first pension distribution; it is the first of the following month. This is important to note based on which rates I wish to use as my retirement distribution.

- EX1: If I retire in the month of May 2019, my earliest distribution (OR LUMP SUM) will be [June 1, 2019](#) and I fall under the rates for [Jan 1-Jun 30, 2019](#).
- EX2: If I retire in the month of June 2019, my earliest distribution (OR LUMP SUM) will be [July 1, 2019](#) and I fall under the rates for [Jul 1-Dec 31, 2019](#)

Knowing which rates you want to fall under is important ESPECIALLY at mid-year when they could change (as they are for 2019)

**Subject:** New July - December 2019 Interest Rates - CARP

The new interest rates for the Continental Retirement Plan (CARP) are now available on Your Benefits Resources (YBR). Anyone who runs an estimate with a benefit commencement date of [7/1/2019 - 12/1/2019](#) will have the new rates applied. Please make sure your employees

know of the rate changes, which may affect when they decide to take their retirement distributions (if eligible).

The interest rates for lump sums payable from CARP [7/1/2019 to 12/31/2019](#) are 3.01%, 4.11% and 4.41%. These are based on the IRS published three “segmented” interest rates each month. The Plan specifies that we use these rates. We are using the February rates published in early March 2019.

As a result, lump sums paid in the second half of 2019 will be higher than the lump sums paid in the first half of 2019. The following are estimated impacts:

CARP --- A lump sum of \$100,000 based on the rates for the first half of 2019 would be equal to the following amounts using the rates for the second half of 2019:

Age 50 retiree = \$101,000 (1.0% higher)  
Age 55 retiree = \$101,000 (1.0% higher)  
Age 60 retiree = \$101,000 (1.0% higher)  
Age 65 retiree = \$100,000 (0.0% change)

**These new rates are posted on YBR as of March 27th and employees are able to run estimates after that date.**

If you have any questions from participants concerning the impact of projecting your retirement with a benefit commencement date of [January 1, 2020](#) or later, please note that the interest rates that are used to project in the future will be using a 60 month average of the segmented rates from September 2013 to August 2018, which may or may not be reflective of current segmented rates. Since the actual interest rates for these projections are currently unknown, the system will also show estimated lump sum amounts using three segment rates that are each 0.5% or 1.0% higher or lower than the 60-month average rates. **The actual interest rates that will be used to calculate your lump sum when you retire will be based on the interest rates in effect at that time.**