

Key IRS Interest Rates – After PPA

(updated upon release of figures in IRS Notice – usually by the end of the first full business week of the month)

Below are Tables I, II, and III showing official interest rates beginning with 2008 reflecting changes made by the Pension Protection Act of 2006 (PPA). After December 2010 there are no separate Transition rates for Section 430 purposes.

Key IRS interest rates for the years 1991 through 2003, and 2004 through 2007 are posted separately. For rates before 1991, contact the [Buck Knowledge Center](#).

Explanations of the various rates can be found at the bottom of the tables.

Click [here](#) for a link to the IRS website containing the posted rates.

Click [here](#) for the complete monthly PPA yield curves.

Table I – Primary Rates
(see explanation of rates directly below table)

Month	(b)			(a)	(d)			
	Section 430 (funding) Segment Rates				Plan Year	Section 417(e)(3) Segment Rates		
	24-month Average					1 st	2 nd	3 rd
	1 st	2 nd	3 rd					
Jan '12	1.98	5.07	6.19	2011	2.25	4.16	4.79	
				2012	2.07	4.45	5.24	

Month	(b)			(a)	(d)			
	Section 430 (funding) Segment Rates				Plan Year	Section 417(e)(3) Segment Rates		
	24-month Average					1 st	2 nd	3 rd
	1 st	2 nd	3 rd					
Jan '11	2.94	5.82	6.46	2010	2.96	4.91	5.68	
				2011	2.47	5.07	6.10	
Feb '11	2.81	5.76	6.46	2010	2.97	4.96	5.66	
				2011	2.45	5.10	6.04	
Mar '11	2.67	5.69	6.44	2010	3.07	5.06	5.78	
				2011	2.55	5.20	6.16	
Apr '11	2.51	5.59	6.38	2010	2.95	4.94	5.68	
				2011	2.43	5.09	6.07	
May '11	2.38	5.51	6.36	2010	2.96	4.94	5.66	

				2011	2.44	5.08	6.05
Jun '11	2.27	5.43	6.34	2010	2.75	4.72	5.44
				2011	2.23	4.86	5.83
Jul '11	2.18	5.36	6.33	2010	2.71	4.69	5.49
				2011	2.21	4.84	5.91
Aug '11	2.11	5.31	6.32	2010	2.74	4.69	5.48
				2011	2.23	4.83	5.88
Sep '11	2.06	5.25	6.32	2010	2.57	4.23	5.07
				2011	2.21	4.43	5.55
				2012	1.85	4.62	6.02
Oct '11	2.03	5.20	6.30	2010	2.46	3.97	4.75
				2011	2.22	4.23	5.28
				2012	1.98	4.49	5.80
Nov '11	2.01	5.16	6.28	2010	2.51	3.99	4.55
				2011	2.30	4.27	5.03
				2012	2.09	4.56	5.50
Dec '11	1.99	5.12	6.24	2010	2.40	3.89	4.36
				2011	2.20	4.18	4.81
				2012	1.99	4.47	5.26

Month	(a) Plan Year	(b)			(c)			(d)			
		Section 430 (funding) Segment Rates									Section 417(e)(3) Segment Rates
		24-month Average			24-month Average With Transition			1 st	2 nd	3 rd	
		1 st	2 nd	3 rd	1 st	2 nd	3 rd				
Jan '10	2009				5.21	6.57	6.65	3.63	4.95	5.27	
	2010	4.60	6.65	6.76	<i>Phase in complete – use 24-month Avg</i>			3.21	5.19	5.67	
Feb '10	2009				5.14	6.56	6.64	3.68	5.02	5.35	
	2010	4.51	6.64	6.75	<i>Phase in complete – use 24-month Avg</i>			3.23	5.22	5.72	
Mar '10	2009				5.09	6.55	6.63	3.69	5.08	5.42	
	2010	4.44	6.62	6.74	<i>Phase in complete – use 24-month Avg</i>			3.22	5.31	5.83	
Apr '10	2009				5.03	6.52	6.61	3.71	5.05	5.42	
	2010	4.35	6.59	6.72	<i>Phase in complete – use 24-month Avg</i>			3.23	5.25	5.81	
May '10	2009				4.96	6.50	6.59	3.73	5.05	5.40	
	2010	4.26	6.56	6.70	<i>Phase in complete – use 24-month Avg</i>			3.26	5.24	5.76	
Jun '10	2009				4.89	6.46	6.57	3.51	4.74	5.08	
	2010	4.16	6.52	6.68	<i>Phase in complete – use 24-month Avg.</i>			3.12	4.97	5.47	
	2009				4.81	6.42	6.54	3.42	4.62	4.99	

Jul '10	2010	4.05	6.47	6.65	Phase in complete – use 24-month Avg			3.06	4.86	5.43
	2009	3.92	6.40	6.61	4.71	6.36	6.50	3.22	4.43	4.84
Aug '10	2010				Phase in complete – use 24-month Avg.			2.83	4.66	5.26
	2009	3.78	6.31	6.57	4.60	6.29	6.46	3.00	4.20	4.63
	2010				Phase in complete – use 24-month Avg.			2.61	4.41	5.05
2011					2.21	4.61	5.46			
Oct '10	2009	3.61	6.20	6.53	4.48	6.20	6.42	2.96	4.16	4.67
	2010				Phase in complete – use 24-month Avg.			2.55	4.36	5.13
					2011	2.15	4.55	5.58		
Nov '10	2009	3.37	6.04	6.49	4.30	6.08	6.38	2.95	4.21	4.81
	2010				Phase in complete – use 24-month Avg.			2.48	4.39	5.28
					2011	2.02	4.56	5.75		
Dec '10	2009	3.14	5.90	6.45	4.14	5.98	6.35	-	-	-
	2010				Phase in complete – use 24-month Avg.			2.67	4.62	5.59
					2011	2.16	4.77	6.05		

Month	(a) Plan Year	(b)			(c)			(d)					
		Section 430 (funding) Segment Rates									Section 417(e)(3) Segment Rates		
		24-month Average			24-month Average With Transition								
		1 st	2 nd	3 rd	1 st	2 nd	3 rd	1 st	2 nd	3 rd			
Jan '09	2008	5.32	6.45	6.69	5.97	6.34	6.42	3.64	3.72	3.57			
	2009				5.64	6.40	6.56	4.41	4.57	4.27			
Feb '09	2008	5.31	6.49	6.69	5.98	6.38	6.44	3.54	3.86	3.77			
	2009				5.65	6.43	6.57	3.96	4.60	4.40			
Mar '09	2008	5.31	6.54	6.73	6.00	6.41	6.48	3.92	4.29	4.29			
	2009				5.66	6.48	6.60	4.25	4.98	4.99			
Apr '09	2008	5.33	6.62	6.80	6.04	6.47	6.53	4.05	4.42	4.48			
	2009				5.68	6.54	6.66	4.46	5.20	5.32			
May '09	2008	5.33	6.68	6.82	6.06	6.51	6.56	4.03	4.44	4.39			
	2009				5.70	6.60	6.69	4.30	5.12	5.02			
Jun '09	2008	5.28	6.72	6.84	6.07	6.55	6.59	4.24	4.78	4.74			
	2009				5.67	6.63	6.71	4.25	5.34	5.25			
Jul '09	2008	5.21	6.74	6.84	6.05	6.56	6.59	4.39	4.93	4.93			
	2009				5.63	6.65	6.72	4.27	5.35	5.33			
Aug '09	2008	5.12	6.74	6.83	6.03	6.57	6.60	4.21	4.78	4.82			
	2009				5.57	6.65	6.71	4.00	5.16	5.23			
Sep '09	2008	5.03	6.73	6.82	5.99	6.56	6.59	4.11	4.68	4.74			
	2009				5.51	6.64	6.70	3.85	5.00	5.11			

	1 st	2 nd	3 rd	1 st	2 nd	3 rd	1 st	2 nd	3 rd
Sep '07	5.26	5.82	6.38	5.66	5.85	6.03	5.02	5.18	5.28
Oct '07	5.29	5.86	6.40	5.68	5.87	6.05	4.89	5.06	5.14
Nov '07	5.31	5.88	6.40	5.70	5.89	6.06	4.85	5.02	5.09
Dec '07	5.31	5.90	6.41	5.70	5.90	6.07	4.60	4.82	4.91

Explanation of Rates for table (by column)

(6) Multiple plan year rows are shown for the Section 430 With Transition rates and the Section 417(e)(3) rates due to the PPA transition rules (i.e., the phase-in percentages vary based on plan year). For example, under the 430 With Transition rules, the rates for October 2008 could apply to an October 1, 2008 plan year using no lookback (in which case the rate used would be 66-2/3% of the 30-Year Treasury rate plus 33-1/3% of the non-transition segment rates), or to a January 1, 2009 plan year with a 3-month lookback (in which case the rate used would be 33-1/3% of the 30-Year Treasury rate plus 66-2/3% of the non-transition segment rates).

(b) & (c) The Pension Protection Act of 2006 (PPA) added Section 430 to the IRC regarding the funding rules for single employer plans, which are generally effective beginning with 2008 plan years. Section 430 specifies the interest rates to be used to determine funding target and target normal cost.

These columns show rates used for the month shown if no lookback month is used. If a plan uses a lookback month, earlier rates would be used. For example, the rates shown for January 2008 are the rates derived from the period ending with December 2007, and can be used for January 2008 valuation dates if no lookback month is used.

(b) Section 430(h)(2) provides that funding target and target normal cost are determined using three 24-month average interest rates ("segment rates") derived from a Treasury-issued corporate bond yield curve. These segment rates apply to cash flows during specified periods. However, an election may be made to use the full yield curve in place of the segment rates.

(c) For 2008 and 2009, a Section 430(h) transitional rule provides that the segment rates are blended with the Corporate Composite Bond weighted average rates (see Table III below) – although an election may be made to use the segment rates without the transitional rule.

(d) The Pension Protection Act of 2006 (PPA) provides that the applicable interest rates under Section 417(e)(3) are the segment rates computed without regard to a 24-month average. For the 2008 through 2011 plan years, the applicable interest rate is the monthly segment rates blended with the pre-PPA 417(e)(3) applicable rates (i.e., the 30-Year Treasury rates) (see Table III below).

This column shows rates used for the month shown if the first lookback month is used. If a plan uses an earlier lookback month or period, earlier rates would be used. For example, the rates shown for January 2008 are the rates derived from December 2007, and can be used for January 2008 stability periods if the lookback is one month. If a plan's 417(e)(3) rate is the rate for the second full calendar month preceding the applicable stability period, the rates shown for December 2009 derived from November 2009 are used for stability periods beginning January 2010.

Table II - Segment Rates

The first, second and third segment rates beginning September 2005 are shown in the following table. These rates are used to derive the 24-month average segment rates and the minimum present value transitional segment rates.

Beginning with 2008 plan years, these rates are also used to determine the present value of vested benefits for purposes of the PBGC variable-rate premium (i.e., the "premium funding target"). For premium purposes, the applicable segment rates are the rates for the month preceding the month in which the plan year begins (e.g., for plan years beginning in January 2008, the December 2007 segment rates should be used).

Segment Rates				
Month	Year	1 st	2 nd	3 rd

January	2011	1.93	5.25	6.42
February		2.02	5.34	6.54
March		1.91	5.23	6.46
April		1.93	5.23	6.44
May		1.72	5.00	6.21
June		1.70	4.99	6.33
July		1.72	4.97	6.28
August		1.85	4.62	6.02
September		1.98	4.49	5.80
October		2.09	4.56	5.50
November		1.99	4.47	5.26
December		2.07	4.45	5.24
January	2010	2.31	5.64	6.47
February		2.29	5.77	6.63
March		2.29	5.65	6.58
April		2.30	5.60	6.47
May		2.34	5.42	6.26
June		2.35	5.35	6.29
July		2.06	5.10	6.11
August		1.81	4.81	5.88
September		1.74	4.75	6.03
October		1.56	4.73	6.22
November		1.65	4.91	6.52
December		1.98	5.23	6.52
January	2009	5.20	6.80	6.31
February		5.24	7.07	7.08
March		5.70	7.53	7.85
April		5.12	7.15	6.92
May		4.27	7.00	6.77
June		3.89	6.59	6.55
July		3.39	6.28	6.47
August		3.08	5.94	6.21
September		2.73	5.63	6.07
October		2.60	5.58	6.07
November		2.35	5.57	6.29
December		2.35	5.65	6.45
January	2008	4.39	6.01	6.72
February		4.11	6.18	7.05
March		4.28	6.38	6.99
April		4.60	6.28	6.96
May		4.67	6.36	6.77
June		4.99	6.64	6.95
July		5.16	6.88	7.04
August		5.21	6.87	6.91

September		5.86	7.35	6.88
October		7.35	8.61	7.26
November		7.11	8.23	7.42
December		6.72	7.12	6.36
January	2007	5.35	5.78	6.22
February		5.31	5.76	6.13
March		5.13	5.68	6.19
April		5.23	5.81	6.34
May		5.32	5.85	6.32
June		5.58	6.21	6.61
July		5.53	6.22	6.60
August		5.40	6.20	6.66
September		5.28	6.12	6.55
October		5.17	6.02	6.38
November		4.92	6.02	6.47
December		4.93	6.13	6.69
January	2006	4.96	5.49	6.14
February		5.19	5.61	6.09
March		5.27	5.77	6.31
April		5.43	6.06	6.67
May		5.52	6.19	6.79
June		5.67	6.21	6.78
July		5.67	6.19	6.75
August		5.46	5.98	6.59
September		5.32	5.81	6.42
October		5.33	5.81	6.36
November		5.25	5.64	6.07
December		5.16	5.60	6.09
September	2005	4.44	5.23	6.05
October		4.78	5.50	6.27
November		4.95	5.60	6.34
December		4.96	5.54	6.24

Table III – 30-Year Treasury and Corporate Composite Bond Rates
(see explanation of rates directly below table)

The 30-Year Treasury rates are used to determine the Section 417(e) rates under PPA during the required transition period (2008 – 2011). The corridor around the 4-year weighted average of the 30-Year Treasury rates is used to calculate current liability for multiemployer plans beginning with 2008.

The 4-year weighted average of the Corporate Composite Bond rates is used to determine the Section 430(h) funding rates under PPA during the transition period (2008 – 2009).

Plan Years Starting in	(a)				(b)	
	30-Year Treasury Rates				Composite Corporate Bond Rates	
	Previous Month 30-Year Treasury Rate	4-Year Weighted Average	90% of 4-Year Weighted Average	105% of 4-Year Weighted Average	Previous Month Corp Bond Rate	4-Year Weighted Average
Jan '12	2.98	4.08	3.67	4.29	4.71	5.72
Jan '11	4.42	4.26	3.83	4.47	5.60	6.12
Feb '11	4.52	4.27	3.84	4.48	5.57	6.10
Mar '11	4.65	4.28	3.85	4.49	5.70	6.08
Apr '11	4.51	4.28	3.86	4.50	5.60	6.06
May '11	4.50	4.29	3.86	4.50	5.58	6.03
Jun '11	4.29	4.28	3.85	4.49	5.37	6.00
Jul '11	4.23	4.27	3.84	4.48	5.38	5.97
Aug '11	4.27	4.26	3.83	4.47	5.36	5.94
Sep '11	3.65	4.23	3.81	4.44	4.99	5.91
Oct '11	3.18	4.20	3.78	4.41	4.82	5.86
Nov '11	3.13	4.16	3.74	4.37	4.79	5.82
Dec '11	3.02	4.12	3.71	4.32	4.70	5.76
Jan '10	4.49	4.37	3.93	4.58	5.88	6.42
Feb '10	4.60	4.38	3.94	4.60	5.88	6.41
Mar '10	4.62	4.39	3.95	4.61	6.01	6.40
Apr '10	4.65	4.40	3.96	4.62	5.90	6.39
May '10	4.69	4.40	3.96	4.62	5.84	6.37
Jun '10	4.29	4.39	3.95	4.61	5.67	6.34
Jul '10	4.13	4.36	3.92	4.58	5.66	6.32
Aug '10	3.99	4.33	3.90	4.55	5.44	6.28
Sep '10	3.80	4.30	3.87	4.52	5.16	6.24
Oct '10	3.77	4.28	3.85	4.49	5.17	6.21
Nov '10	3.87	4.26	3.83	4.47	5.20	6.17
Dec '10	4.19	4.25	3.83	4.46	5.43	6.14
Jan '09	2.87	4.59	4.14	4.82	6.64	6.29
Feb '09	3.13	4.54	4.09	4.77	6.47	6.32
Mar '09	3.59	4.51	4.06	4.74	6.83	6.35
Apr '09	3.64	4.48	4.03	4.70	7.22	6.39
May '09	3.76	4.44	4.00	4.67	7.05	6.43
Jun '09	4.23	4.42	3.98	4.65	6.95	6.46
Jul '09	4.52	4.41	3.97	4.63	6.64	6.47
Aug '09	4.41	4.40	3.96	4.62	6.39	6.48
Sep '09	4.37	4.39	3.95	4.61	6.03	6.47
Oct '09	4.19	4.38	3.94	4.59	5.79	6.46
Nov '09	4.19	4.36	3.93	4.58	5.76	6.44
Dec '09	4.31	4.36	3.92	4.57	5.79	6.42

Jan '08	4.53	4.81	4.33	5.06	6.28	5.92
Feb '08	4.33	4.80	4.32	5.04	6.16	5.94
Mar '08	4.52	4.79	4.31	5.03	6.36	5.96
Apr '08	4.39	4.78	4.30	5.02	6.46	5.99
May '08	4.44	4.76	4.29	5.00	6.45	6.00
Jun '08	4.60	4.75	4.28	4.99	6.47	6.02
Jul '08	4.69	4.74	4.27	4.98	6.69	6.04
Aug '08	4.57	4.73	4.25	4.96	6.79	6.07
Sep '08	4.50	4.72	4.24	4.95	6.76	6.10
Oct '08	4.27	4.70	4.23	4.93	6.98	6.14
Nov '08	4.17	4.68	4.21	4.91	7.90	6.20
Dec '08	4.00	4.66	4.19	4.89	7.72	6.27
Sep '07	4.93	4.84	4.36	5.08	6.33	5.86
Oct '07	4.79	4.84	4.36	5.08	6.23	5.88
Nov '07	4.77	4.84	4.35	5.08	6.14	5.89
Dec '07	4.52	4.82	4.34	5.07	6.14	5.90

Explanation of Rates for table (by column)

- (a) Beginning February 18, 2002 the Treasury stopped supplying an estimate of the 30-year constant maturity yield for the FRB H.15 release. In March 2002, the IRS released Notice 2002-26 which indicated that the 30-Year Treasury rate will be the average of the daily yields on the Treasury bond maturing in February 2031. Currently, the 30-Year Treasury rate is the average of the daily yields on the most recently issued 30-year Treasury bond.
- (b) For 2004 and 2005 plan years, the Pension Funding Equity Act of 2004 replaced the use of the interest on 30-Year Treasury securities with "interest on amounts invested conservatively in long-term investment grade corporate bonds". IRS Notice 2004-34 defines this Composite Corporate Bond Rate to be based on the following three indices for September 2000 and later: Citigroup High Grade Credit Index (AAA/AA, 10+ Years), Merrill Lynch US Corporates AA-AAA Rated 10+ Years, and Lehman Brothers US A Long Credit. The monthly Composite Corporate Bond Rate is determined by first averaging the daily values for the yield to maturity for the bonds included in each of the indices (determined by the financial service firm maintaining the index), and then averaging those three monthly amounts. The Pension Protection Act of 2006 extended the use of these rates for 2006 and 2007 plan years.
- (a) & (b) The 4-year weighted average is determined by giving a weight of 4 to the most recent 12 monthly rates, 3 to the rates that are 13-24 months in the past, 2 to the rates that are 25-36 months in the past, and 1 to the rates that are 37-48 months in the past.