

## Key IRS Interest Rates – 2004 and later

Below are various official interest rates beginning with 2004.

See separate postings for:

- Applicable Federal Rates (AFR) used for waiver and penalty interest charges.
- Key IRS interest rates for the years 1991 through 2003.

For rates before 1991, contact the [Buck Knowledge Center](#).

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

(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)		(i)
Plan Years Starting in	Corporate Bond Rates					30-Year Treasury Rates				AFR
	Prev Month Corp Bond Rate	100% of (b)	4-yr Wgtd Avg of (b)	Corridor End Points		Prev Month 30-yr Treas Bond Rate	4-yr Wgtd Avg of (f)	Corridor End Points *		120% of Mid-Term AFR (Rnnd to.2)
				90% of (d)	100% of (d)			90% of (g)	105% of (g)	
Jan '07	5.75	5.75	5.78	5.21	5.78	4.68	N/A	N/A	N/A	<a href="#">See separate AFR posting.</a>
Feb '07	5.89	5.89	5.79	5.21	5.79	4.85	N/A	N/A	N/A	
Mar '07	5.85	5.85	5.80	5.22	5.80	4.82	N/A	N/A	N/A	
Apr '07	5.84	5.84	5.80	5.22	5.80	4.72	N/A	N/A	N/A	
May '07	5.98	5.98	5.80	5.22	5.80	4.87	N/A	N/A	N/A	
Jun '07	6.01	6.01	5.81	5.23	5.81	4.90	N/A	N/A	N/A	
Jul '07	6.32	6.32	5.83	5.25	5.83	5.20	N/A	N/A	N/A	
Aug '07	6.33	6.33	5.84	5.26	5.84	5.11	N/A	N/A	N/A	
Sep '07	6.33	6.33	5.86	5.27	5.86	4.93	N/A	N/A	N/A	
Oct '07	6.23	6.23	5.88	5.29	5.88	4.79	N/A	N/A	N/A	
Nov '07	6.14	6.14	5.89	5.30	5.89	4.77	N/A	N/A	N/A	
Dec '07	6.14	6.14	5.90	5.31	5.90	4.52	N/A	N/A	N/A	

(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)		(i)
Plan Years Starting in	Corporate Bond Rates					30-Year Treasury Rates				AFR
	Prev Month Corp Bond Rate	85% of (b)	4-yr Wgtd Avg of (b)	Corridor End Points		Prev Month 30-yr Treas Bond Rate	4-yr Wgtd Avg of (f)	Corridor End Points *		120% of Mid-Term AFR (Rnnd to.2)
				90% of (d)	100% of (d)			90% of (g)	105% of (g)	
Jan '06	5.72	4.86	5.77	5.19	5.77	4.65	N/A	N/A	N/A	5.4
Feb '06	5.65	4.80	5.75	5.18	5.75	4.59	N/A	N/A	N/A	5.2
Mar '06	5.73	4.87	5.75	5.17	5.75	4.58	N/A	N/A	N/A	5.4
Apr '06	5.89	5.01	5.74	5.17	5.74	4.73	N/A	N/A	N/A	5.6
May '06	6.18	5.25	5.74	5.17	5.74	5.06	N/A	N/A	N/A	5.8
Jun '06	6.29	5.35	5.75	5.18	5.75	5.20	N/A	N/A	N/A	6.0
Jul '06	6.31	5.36	5.77	5.19	5.77	5.16	N/A	N/A	N/A	6.0
Aug '06	6.30	5.36	5.78	5.20	5.78	5.13	N/A	N/A	N/A	6.2

Sep '06	6.11	5.19	5.78	5.21	5.78	5.00	N/A	N/A	N/A	6.0
Oct '06	5.95	5.06	5.79	5.21	5.79	4.85	N/A	N/A	N/A	5.8
Nov '06	5.94	5.05	5.79	5.21	5.79	4.85	N/A	N/A	N/A	5.6
Dec '06	5.77	4.90	5.79	5.21	5.79	4.69	N/A	N/A	N/A	5.8

\* The Pension Funding Equity Act of 2004 (PFEA) replaced the use of the corridor around the 4-year weighted average of the interest on 30-year Treasury securities with a corridor around the 4-year weighted average of corporate bond rates (see footnote (b) below). This PFEA provision sunset at the end of the 2005 plan year. The Pension Protection Act of 2006 (PPA) retroactively (from its August 17, 2006 enactment date) extended the use of the corporate bond rates for the 2006 and 2007 plan years. The rates based on 30-year Treasury securities for January 2006 through August 2006 are available from IRS Notices 2006-8, 2006-19, 2006-32, 2006-39, 2006-49, 2006-55, 2006-66, and 2006-74, respectively.

(a) Plan Years Starting in	(b) Corporate Bond Rates					(f) 30-Year Treasury Rates				(i) AFR
	Prev Month Corp Bond Rate	85% of (b)	4-yr Wgtd Avg of (b)	Corridor End Points		Prev Month 30-yr Treas Bond Rate	4-yr Wgtd Avg of (f)	Corridor End Points		120% of Mid-Term AFR (Rnnd to.2)
				90% of (d)	100% of (d)			90% of (g)	105% of (g)	
Jan '05	5.57	4.73	6.10	5.49	6.10	4.86	5.10	4.59	5.35	4.6
Feb '05	5.48	4.66	6.07	5.46	6.07	4.73	5.08	4.57	5.33	4.6
Mar '05	5.36	4.56	6.03	5.43	6.03	4.55	5.06	4.55	5.31	4.6
Apr '05	5.62	4.78	6.01	5.41	6.01	4.78	5.05	4.54	5.30	5.0
May '05	5.55	4.72	5.97	5.38	5.97	4.65	5.03	4.52	5.28	5.2
Jun '05	5.41	4.60	5.94	5.35	5.94	4.49	5.00	4.50	5.25	4.8
Jul '05	5.26	4.47	5.90	5.31	5.90	4.29	4.97	4.47	5.21	4.6
Aug '05	5.37	4.56	5.87	5.28	5.87	4.41	4.94	4.44	5.18	4.8
Sep '05	5.42	4.61	5.84	5.25	5.84	4.46	4.91	4.42	5.16	5.0
Oct '05	5.44	4.62	5.81	5.23	5.81	4.47	4.89	4.40	5.13	5.0
Nov '05	5.68	4.83	5.79	5.21	5.79	4.68	4.88	4.39	5.12	5.0
Dec '05	5.78	4.91	5.78	5.20	5.78	4.73	4.87	4.38	5.11	5.4

(a) Plan Years Starting in	(b) Corporate Bond Rates					(f) 30-Year Treasury Rates				(i) AFR
	Prev Month Corp Bond Rate	85% of (b)	4-yr Wgtd Avg of (b)	Corridor End Points		Prev Month 30-yr Treas Bond Rate	4-yr Wgtd Avg of (f)	Corridor End Points		120% of Mid-Term AFR (Rnnd to.2)
				90% of (d)	100% of (d)			90% of (g)	105% of (g)	
Jan '04	5.81	4.94	6.55	5.89	6.55	5.07	5.25	4.72	5.51	4.2
Feb '04	5.68	4.83	6.50	5.85	6.50	4.98	5.23	4.70	5.49	4.2
Mar '04	5.63	4.79	6.45	5.81	6.45	4.93	5.21	4.69	5.47	4.0
Apr '04	5.44	4.62	6.40	5.76	6.40	4.74	5.18	4.67	5.44	3.8
May '04	5.86	4.98	6.36	5.73	6.36	5.14	5.17	4.65	5.43	3.8
Jun '04	6.19	5.26	6.34	5.70	6.34	5.42	5.17	4.65	5.43	4.6
Jul '04	6.18	5.25	6.32	5.69	6.32	5.41	5.17	4.65	5.43	5.0
Aug '04	6.00	5.10	6.29	5.66	6.29	5.22	5.16	4.65	5.42	4.8
Sep '04	5.82	4.95	6.25	5.63	6.25	5.06	5.15	4.64	5.41	4.6
Oct '04	5.63	4.79	6.21	5.59	6.21	4.90	5.14	4.62	5.39	4.4
Nov '04	5.57	4.73	6.17	5.56	6.17	4.86	5.12	4.61	5.38	4.2

Dec '04	5.59	4.75	6.14	5.52	6.14	4.89	5.11	4.60	5.37	4.2
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Corporate bond rates for the years 2001, 2002, and 2003 (as set forth in IRS Notice 2004-34) are shown in the following table. In accordance with the Pension Funding Equity Act of 2004, these rates may be used to determine the applicability of the additional minimum funding contribution using the volatility rule for 2004 and 2005 plan years, and the exemption from quarterly contributions for 2004. The Pension Protection Act of 2006 extended the use of these rates for 2006 and 2007 plan years.

Plan Years Starting in	2000	2001			2002			2003		
	Prev Month Corp Bond Rate	Prev Month Corp Bond Rate	4-Yr Wgtd Average		Prev Month Corp Bond Rate	4-Yr Wgtd Average		Prev Month Corp Bond Rate	4-Yr Wgtd Average	
			90%	100%		90%	100%		90%	100%
Jan	-	7.51	6.69	7.44	7.07	6.60	7.34	6.18	6.40	7.11
Feb	7.94	7.34	6.69	7.44	6.92	6.60	7.33	6.07	6.36	7.07
Mar	7.84	7.21	6.69	7.44	6.86	6.59	7.32	5.90	6.33	7.03
Apr	7.87	7.08	6.68	7.43	7.10	6.58	7.32	5.89	6.29	6.98
May	7.84	7.28	6.68	7.42	7.03	6.58	7.31	5.91	6.25	6.94
Jun	8.27	7.28	6.68	7.42	6.99	6.57	7.30	5.42	6.19	6.87
Jul	8.05	7.17	6.67	7.41	6.76	6.55	7.28	5.24	6.12	6.80
Aug	7.93	7.13	6.66	7.40	6.74	6.53	7.26	5.77	6.08	6.75
Sep	7.82	6.95	6.65	7.39	6.57	6.51	7.23	6.19	6.05	6.72
Oct	7.87	7.05	6.64	7.37	6.27	6.48	7.20	5.95	6.01	6.68
Nov	7.85	6.91	6.62	7.36	6.47	6.46	7.17	5.91	5.97	6.63
Dec	7.82	6.82	6.61	7.34	6.30	6.43	7.14	5.86	5.93	6.59

\* The rate shown in Columns (b) and (f) are the officially published values for the month preceding the month shown in Column (a). For example, the rate of 5.81% shown in Column (b) for plan years starting in January 2004 is based on the average for the month of December 2003.

Note: As previously noted in footnote \*, the values in Columns (b) through (h) are the values for the prior month (X-1) but apply to plan years beginning in month X. Column (i) contains the value for the current month (X). Thus, 4.2% is the rounded 120% of the Mid-Term AFR figure for January 2004.

#### Explanation of Rates (by column number)

(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 IRS will publish these rates monthly. The Pension Protection Act of 2006 extended the use of these rates for 2006 and 2007 plan years.

(c) In accordance with the Pension Funding Equity Act of 2004, 85% of the corporate bond rates in Column (b) is used to determine unfunded vested benefits for PBGC variable rate premiums for 2004 and 2005. The Pension Protection Act of 2006 extended the use of these rates for 2006 and 2007 plan years. – however, the IRS issued regulations changing the RPA current liability tables effective 1/1/07, and therefore the 85% changed to 100% effective 1/1/07.

(d) 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.

(e) In accordance with the Pension Funding Equity Act of 2004, the 90% - 100% corridor around the 4-year weighted average of the corporate bond rates (Column (d)) is used in determining current liability for 2004 and 2005 plan years. The Pension Protection Act of 2006 extended the use of these rates for 2006 and 2007 plan years.

(f) U.S. Treasury "Constant Value" 30-Year Bond Rates. 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 indicates that for the immediate future the rate will be the average of the daily yields on the Treasury bond maturing in February 2031.

(g) The 4-year weighted average is determined as in Column (d) - see above.

(h) In accordance with the Pension Funding Equity Act of 2004, an employer may, solely for purposes of determining the maximum tax-deductible contributions for 2004 and 2005 (Unfunded Current Liability and Full Funding Limit), elect to ignore the interest rate chosen by the EA from Column (e) and instead choose an interest rate from the 90% - 105% corridor around the 4-year weighted average of the 30-year Treasury bond rates (Column (g)).

(i) This rate is used to determine the present value of an annuity, an interest for life, or a term of years, a remainder, or reversionary interest. In this case, Column (a) refers to the month and year of death.