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# Mortality Scale 2018 Update

ERISA

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In October 2018, the Society of Actuaries released its annually updated mortality improvement scale for pension plans, MP-2018, based on the same methodology and assumptions used to develop the previous scale (MP-2017) and revised to reflect historical U.S. mortality experience through 2016. The Society anticipates that pension plans implementing MP-2018 could see a decrease in plan obligations from 0.2 percent to 0.6 percent.

Under U.S. GAAP, pension plan sponsors are required to use mortality assumptions that return the best estimate of the plan's future experience when assessing obligation. This should be reflected through the date of issuance and take into consideration the financial statements of both the benefit plan and the plan sponsor. Plan administrators should also calculate the impact of the updated mortality scale on any financial statements that have yet to be issued.

Bottom line? With the release of MP-2018, plan sponsors throughout business should review implications with their plan actuaries and auditors. [Contact Schneider Downs if you'd like to discuss.](#)

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