



January 11, 2019

Mortality Scale 2018 Update

ERISA

BY LINDZEE NICHOLSON

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.](#)

You've heard our thoughts... We'd like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we're especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you'll share it with us. After all, a dialogue is an exchange of ideas, and we'd like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with individual professional advice.

© 2024 Schneider Downs. All rights-reserved. All content on this site is property of Schneider Downs unless otherwise noted and should not be used without [written permission](#).