

10.14. Age Weighted Allocations

10/29/2024 4:38 pm CDT

The total company contribution shall be allocated to each Participant such that the equivalent benefit accrual rate (EBAR or EAR) for each Participant is identical. The actual calculation is that a participant will receive an allocation based on the ratio of his/her points to total points of all participants.

Points for each participant are equal to: Compensation * 1/(1 + interest rate)^years to retirement * annuity factor.

In Allocation Parameters, the “Allocation Type” should be set to “Dollar” the total dollar amount to be allocated entered in “Nonelective contribution in total dollars to be allocated:” in order to have the system calculate the age weighted allocation. The factor is calculated by the system. The user can enter the interest rate and actuarial table that should be used in the calculation.

Setting “Provide decrement for participants past NRA” to “Yes” means that any participants who have attained an age beyond the stated normal retirement age (NRA) will use the retirement age in the calculation rather than the participant’s actual attained age. This results in a lower allocation than would be allocated if actual age beyond NRA was used.

Regular Nonelectives	
Allocation type:	<input type="text" value="Dollar"/>
+	
Nonelective contribution in total dollars to be allocated:	<input type="text" value="65000.00"/>
+	
+	
+	
+	
Age Weighted	
Age Weighted dollar amount of allocation per factor:	<input type="text" value="0.470030"/>
Age Weighted Interest:	<input type="text" value="8.50%"/>
Age Weighted Actuarial Table:	<input type="text" value="UP-1984"/>
Provide decrement for participants past NRA:	<input checked="" type="radio"/> Yes / <input type="radio"/> No