INTERNAL REVENUE SERVICE
UIL Nos. 0101.00-00 7702.00-00
Number: **199903026**
Release Date: 1/22/1999

CC:DOM:FI&P:4/PLR-119036-98

October 28, 1998

Taxpayer =

Dear :

By letter dated August 25, 1998, we sent you a corrected page 3 of the ruling that was issued to you on July 6, 1998 (LTR 9840040, PLR-112984-97). Unfortunately, due to an oversight on our part, the correction was not made prior to the public release of the redacted version of the ruling.

The correction that we attached to the August 25 letter has now been made. For your convenience, we are again attaching a corrected page 3 of the ruling with copies that have been deleted for IRC § 6110 purposes.

Sincerely yours,
Assistant Chief Counsel
(Financial Institutions
and Products)

By: ____________________
Mark S. Smith
Chief, Branch 4

related to Q and R, whichever is applicable.[1] Taxpayer represents that, upon the death of an Eligible Beneficiary, generally, it will pay $z, in the aggregate, to the Eligible Beneficiary's surviving spouse and other eligible dependents. Generally, a somewhat smaller amount will be paid to the estate of an Eligible Beneficiary who dies without leaving a surviving spouse or other eligible dependent. (Individuals receiving death benefits from Taxpayer will be referred to as "Individual Recipients," Estates of Eligible Beneficiaries receiving death benefits from Taxpayer will be referred to as "Estate Recipients.")[2]

X requires the G Employers to pay an annual death benefit premium for Eligible Beneficiaries that are assigned to them under criteria set forth in X. X provides that the death benefit premium for any plan year for any G Employer is the applicable percentage of the amount, actuarially determined, that Taxpayer will be required to pay during the plan year for death benefits coverage. Taxpayer represents that X defines the term "applicable percentage" to mean, with respect to that G Employer, the percentage determined by dividing the number of Beneficiaries assigned to that G Employer by the total number of Beneficiaries assigned to all of the G Employers (determined on the basis of assignments as of Date 3).[3] X provides that, if there is a shortfall or surplus in the death benefit premium account for any plan year, the premium for the following plan year for each G

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[1] X provides that Q' and R' are to be amended so that as of Date 1 they will no longer duplicate the death benefits coverage that Taxpayer provides to Eligible Beneficiaries.

[2] Taxpayer represents that Eligible Beneficiaries who were covered by R' have the right to designate a primary and contingent beneficiary. If the designated beneficiary is a surviving spouse or other eligible dependent, they will be paid $z from Taxpayer, otherwise they will be paid $(z-y). (Designated beneficiaries who are not surviving spouses or other eligible dependents will be referred to as "Nonqualified Individual Recipients," in contrast to surviving spouses or other eligible dependents, who will be referred to as "Qualified Individual Recipients.") If no designated beneficiary survives an Eligible Beneficiary, $(z-y) will be paid to the Eligible Beneficiary's estate.

[3] "Beneficiaries" is defined as Eligible Beneficiaries and other individuals who on Date 2 were eligible to receive and were receiving E benefits in Q or R. Also, X provides for adjustments in the computation of the applicable percentage for plan years beginning after Date 3, based on events occurring after Date 3.

Employer is proportionately reduced or increased, whichever is applicable, by the amount of the shortfall or surplus.