It can be seen from table III that contributions at the minimum rate under the "Entry age normal method" provide for 9.4 percent of a terminated plan's total liability for accrued benefits at the end of the first year, 17.5 percent at the end of the second year, 24.3 percent at the end of the third year—up to 59.5 percent after the 15th year. Benefits for retired employees are 100 percent funded from the beginning and the deficiencies apply to employees still in active service at the termination date, at the levels shown.

It will be noted that even under 20-year funding the benefit loss from termination in the very early years remains substantial. However, the 20-year-funding rate under these methods is not the most rapid which will occur in terminated plans. For example, under the plan conditions assumed for table III, other widely used cost methods would afford benefits in full for retired lives and the following percentage of accrued benefits for active lives:

[In percent]

Year	Individual level premium method	Aggregate method
1	27.6	20.9
2	47.6	36.5
3	63.2	49.1
4	75.9	59.6
5	86.1	68.4
10	116.7	97.1
15	129.9	119.4

Also under a fifth method currently used, the "Attained age normal method," slightly greater funding would occur in years 1 through 10 under 20-year funding than with the "Entry age normal method" as illustrated in table III.

Application of the funded percentages on a minimum funding basis on the "Entry age normal method" to the termination conditions of the plan studied permits the determination of approximate maximum benefit loss that would have occurred. Table IV shows the results of such a determination for—

All employees for whom coverage was conclusively reported as discontinued, plus

A percentage of the coverage-unknown employees at the same ratio as prevailed in the known population.

The age of plans at termination date for the 138,000 employees was assumed to be the same as for the total population.

2. *Circumstances under which loss would have been greater.*—A greater loss than indicated in table IV would have resulted under three circumstances:

(*a*) If coverage-continuance was lower for plans for which the continuity of coverage was unknown than for the total population,

(*b*) If plans covering the 138,000 employees terminated at shorter plan durations than in the total population, or

(*c*) If an overly liberal valuation basis was used or if the age distribution of employees covered under terminated plans was higher than the averages assumed in this report.