

Segment Rate Update (July Numbers)

The IRS has posted updated Min Present Value Segment Rates for the month of July 2024 They are as follows:

First Segment	Second Segment	Third Segment
5.09	5.28	5.52

Source: <https://www.irs.gov/Retirement-Plans/Recent-Interest-Rate-Notices>

This represents a change from the previous month as follows:

First Segment	Second Segment	Third Segment
Decrease of 0.09	Decrease of 0.13	Decrease of 0.10

Based on the 3-month average that the CRP uses (April, May, June) the Segment Rates for September 2024 retirement are:

First Segment	Second Segment	Third Segment
5.170	5.390	5.583

This represents a change from the previous month as follows:

First Segment	Second Segment	Third Segment
Increase 0.033	Increase of 0.030	Increase of 0.050

The newly published IRS rates will be factored into the 3-month average used for the CRP lump sum calculation for Chevron employees who wish to take the CRP lump sum in September 2024.

As an example, for a married client age 59, from January 2015 to January 2016, we saw the 1st Segment rise 0.36, the 2nd Segment rise 0.27 and the 3rd Segment rise 0.17; this resulted in a decrease in the lump sum value of ~2.5%. Due to the individual nature of the actual CRP lump sum calculation, you would need to run the estimator for May 2024 to determine the impact to your value.

Below is a rolling 1-year chart of the IRS Minimum Present Value Segment Rates and the 3-month average used for the CRP.

The IRS publishes a table of Minimum Present Value Segment Rates here: <https://www.irs.gov/Retirement-Plans/Minimum-Present-Value-Segment-Rates>

This is for illustrative purposes only. Any discussion of lump sum values is not a recommendation to forego the annuity option available. Only an individual analysis can provide that information.

Any reference to CRP is to the Chevron Retirement Plan (hired before 1-1-2008). Company retirement plans are subject to change. For specific plan information consult your human resource department or your plan document.

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12-Month Historical Segment Rate Movement

