

U.S. Office of Personnel Management.  
**Katherine Archuleta,**  
*Director.*  
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**OFFICE OF PERSONNEL  
 MANAGEMENT**

**Civil Service Retirement System;  
 Present Value Factors**

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** The Office of Personnel Management (OPM) is providing notice of adjusted present value factors applicable to retirees under the Civil Service Retirement System (CSRS) who elect to provide survivor annuity benefits to a spouse based on post-retirement marriage and to retiring employees who elect the alternative form of annuity, owe certain redeposits based on refunds of contributions for service before March 1, 1991, or elect to credit certain service with nonappropriated fund instrumentalities. This notice is necessary to conform the present value factors to changes in the economic and demographic assumptions adopted by the Board of Actuaries of the Civil Service Retirement System.

**DATES:** *Effective Date:* The revised present value factors apply to survivor reductions or employee annuities that commence on or after October 1, 2014.

**ADDRESSES:** Send requests for actuarial assumptions and data to the Board of Actuaries, care of Gregory Kissel, Senior Actuary, Office of Planning and Policy Analysis, Office of Personnel Management, Room 4307, 1900 E Street NW., Washington, DC 20415.

**FOR FURTHER INFORMATION CONTACT:** Karla Yeakle, (202) 606-0299.

**SUPPLEMENTARY INFORMATION:** Several provisions of CSRS require reduction of annuities on an actuarial basis. Under each of these provisions, OPM is required to issue regulations on the method of determining the reduction to ensure that the present value of the reduced annuity plus a lump-sum equals, to the extent practicable, the present value of the unreduced benefit. The regulations for each of these benefits provide that OPM will publish a notice in the **Federal Register** whenever it changes the factors used to compute the present values of these benefits.

Section 831.2205(a) of title 5, Code of Federal Regulations, prescribes the

method for computing the reduction in the beginning rate of annuity payable to a retiree who elects an alternative form of annuity under 5 U.S.C. 8343a. That reduction is required to produce an annuity that is the actuarial equivalent of the annuity of a retiree who does not elect an alternative form of annuity. The present value factors listed below are used to compute the annuity reduction under § 831.2205(a) of title 5, Code of Federal Regulations.

Section 831.303(c) of title 5, Code of Federal Regulations, prescribes the use of these factors for computing the reduction to complete payment of certain redeposits of refunded deductions based on periods of service that ended before March 1, 1991, under section 8334(d)(2) of title 5, United States Code; section 1902 of the National Defense Authorization Act for Fiscal Year 2010, Public Law 111-84.

Section 831.663 of Title 5, Code of Federal Regulations, prescribes the use of similar factors for computing the reduction required for certain elections to provide survivor annuity benefits based on a post-retirement marriage under section 8339(j)(5)(C) or (k)(2) of title 5, United States Code. Under section 11004 of the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, effective October 1, 1993, OPM ceased collection of these survivor election deposits by means of either a lump-sum payment or installments. Instead, OPM is required to establish a permanent actuarial reduction in the annuity of the retiree. This means that OPM must take the amount of the deposit computed under the old law and translate it into a lifetime reduction in the retiree's benefit. The reduction is based on actuarial tables, similar to those used for alternative forms of annuity under section 8343a of title 5, United States Code.

Subpart F of part 847 of title 5, Code of Federal Regulations, prescribes the use of similar factors for computing the deficiency the retiree must pay to receive credit for certain service with nonappropriated fund instrumentalities made creditable by an election under section 1043 of Public Law 104-106.

The present value factors currently in effect were published by OPM (76 FR 32241) on June 3, 2011. On May 21, 2014 OPM published a notice to revise the normal cost percentage under the Federal Employees' Retirement System (FERS) Act of 1986, Public Law 99-335, based on changed economic assumptions and demographic assumptions adopted by the Board of Actuaries of the CSRS. Those changes require corresponding changes in CSRS normal costs and present value factors

used to produce actuarially equivalent benefits when required by the Civil Service Retirement Act. The revised factors will become effective on October 1, 2014, to correspond with the changes in CSRS normal cost percentages. For alternative forms of annuity and redeposits of employee contributions, the new factors will apply to annuities that commence on or after October 1, 2014. See 5 CFR 831.2205 and 831.303(c). For survivor election deposits, the new factors will apply to survivor reductions that commence on or after October 1, 2014. See 5 CFR 831.663(c) and (d). For obtaining credit for service with certain nonappropriated fund instrumentalities, the new factors will apply to cases in which the date of computation under § 847.603 of title 5, Code of Federal Regulations, is on or after October 1, 2014. See 5 CFR 847.602(c) and 847.603.

OPM is, therefore, revising the tables of present value factors to read as follows:

**CSRS PRESENT VALUE FACTORS APPLICABLE TO ANNUITY PAYABLE FOLLOWING AN ELECTION UNDER SECTION 8339(J) OR (K) OR SECTION 8343A OF TITLE 5, UNITED STATES CODE, OR UNDER SECTION 1043 OF PUBLIC LAW 104-106 OR FOLLOWING A REDEPOSIT UNDER SECTION 8334(D)(2) OF TITLE 5, UNITED STATES CODE**

Age	Present value factor
40 .....	324.2
41 .....	320.4
42 .....	316.4
43 .....	312.4
44 .....	308.2
45 .....	303.8
46 .....	299.4
47 .....	294.7
48 .....	290.0
49 .....	285.0
50 .....	280.0
51 .....	274.9
52 .....	269.7
53 .....	264.5
54 .....	259.1
55 .....	253.6
56 .....	248.0
57 .....	242.3
58 .....	236.5
59 .....	230.5
60 .....	224.4
61 .....	218.3
62 .....	212.1
63 .....	205.8
64 .....	199.4
65 .....	192.9
66 .....	186.4
67 .....	179.9
68 .....	173.3
69 .....	166.7

**CSRS PRESENT VALUE FACTORS APPLICABLE TO ANNUITY PAYABLE FOLLOWING AN ELECTION UNDER SECTION 8339(J) OR (K) OR SECTION 8343A OF TITLE 5, UNITED STATES CODE, OR UNDER SECTION 1043 OF PUBLIC LAW 104-106 OR FOLLOWING A REDEPOSIT UNDER SECTION 8334(D)(2) OF TITLE 5, UNITED STATES CODE—Continued**

Age	Present value factor
70	160.0
71	153.4
72	146.7
73	140.1
74	133.5
75	127.0
76	120.7
77	114.4
78	108.3
79	102.3
80	96.5
81	90.9
82	85.4
83	80.2
84	75.2
85	70.3
86	65.7
87	61.2
88	56.9
89	52.9
90	49.2
91	45.7
92	42.4
93	39.5
94	36.8
95	34.4
96	32.3
97	30.3
98	28.6
99	26.9
100	25.4
101	24.1
102	22.8
103	21.6
104	20.8
105	20.2
106	19.3
107	17.7
108	14.8
109	9.5

**CSRS PRESENT VALUE FACTORS APPLICABLE TO ANNUITY PAYABLE FOLLOWING AN ELECTION UNDER SECTION 1043 OF PUBLIC LAW 104-106**  
[For ages at calculation below 40]

Age at calculation	Present value of a monthly annuity
17	393.7
18	391.3
19	388.8
20	386.3
21	383.8
22	381.2
23	378.5

**CSRS PRESENT VALUE FACTORS APPLICABLE TO ANNUITY PAYABLE FOLLOWING AN ELECTION UNDER SECTION 1043 OF PUBLIC LAW 104-106—Continued**

[For ages at calculation below 40]

Age at calculation	Present value of a monthly annuity
24	375.8
25	373.0
26	370.2
27	367.3
28	364.4
29	361.4
30	358.4
31	355.3
32	352.1
33	348.9
34	345.6
35	342.2
36	338.7
37	335.2
38	331.6
39	328.0

U.S. Office of Personnel Management.

**Katherine Archuleta,**  
*Director.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-72173; File No. 811-02815]

**Copley Fund, Inc.; Notice of Application**

May 15, 2014.

**AGENCY:** Securities and Exchange Commission (“Commission”).

**ACTION:** Notice of an application for exemptive relief.

**SUMMARY OF APPLICATION:** Applicant requests an order exempting it from rule 22c-1 under the Investment Company Act of 1940 (“Company Act”) and rule 4-01(a)(1) of Regulation S-X.

**APPLICANT:** Copley Fund, Inc. (“Copley” or “Fund”).

**FILING DATE:** The application (together with the exhibits, the “Application”) was filed on September 4, 2013.

**HEARING OR NOTIFICATION OF HEARING:** Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 9, 2014, and should be accompanied by proof of service on the applicant, in the form of an affidavit or,

for lawyers, a certificate of service. Hearing requests should state the nature of the writer’s interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary. Absent a request for a hearing that is granted by the Commission, the Commission intends to issue an order under the Company Act denying the Application.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicant, 5348 Vegas Drive, Suite 391, Las Vegas, Nevada 89108.

**FOR FURTHER INFORMATION CONTACT:** David Joire, Senior Counsel, or Nadya Roytblat, Assistant Chief Counsel, at (202) 551-6825, Division of Investment Management, Chief Counsel’s Office.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission’s Web site at <http://www.sec.gov/rules/other.shtml> or by calling (202) 551-8090.

**I. Background**

*A. The Applicant*

1. Copley is a Nevada corporation registered under the Company Act as an open-end management investment company (“open-end fund”) that issues redeemable securities.<sup>1</sup> Copley has been operating since 1978 and invests primarily in U.S. equity securities. The Application states that Copley’s “stated investment objective is the generation and accumulation of dividend income” and “[i]ts secondary objective is ‘long-term capital appreciation.’” The Application also states that “[k]ey to the Fund’s investment objective is its strategy, contrary to most other [open-end] funds, of not distributing dividends and capital gains to shareholders but rather accumulating them within the Fund.”

<sup>1</sup> Section 4(3) of the Company Act defines a “management company” as any investment company other than a face-amount certificate company or a unit investment trust. Section 5(a)(1) of the Company Act defines an “open-end company” as a management company which is offering for sale or has outstanding any redeemable security of which it is the issuer. Section 2(a)(32) of the Company Act defines “redeemable security” to mean any security, other than short term paper, under the terms of which the holder, upon presentation to the issuer or to a person designated by the issuer, is entitled (whether absolutely or only out of surplus) to receive approximately his proportionate share of the issuer’s current net assets, or the cash equivalent thereof.