Workshop 4: Plan Designs — How far should you go?

James E. Holland Jr., FSPA, Chief Research Actuary, Cheiron
Lawrence Deutsch, FSPA, President, Larry Deutsch Enterprises

How far should you go?

• We'll examine some of the issues of deciding how far a rule can be pushed.
  • What constitutes a reasonable business classification vs. the effect of identifying people by name.
  • How often a plan can be amended without raising issues, including the concept of one-year amendments (which expire after that period).
  • How far can the definition of different types of compensation be pushed, particularly for a plan sponsor with only one owner.
  • Interest crediting rate and conversion factor limits in a cash balance plan.

What are considerations for claiming an “objective business criteria”

• Background
  • In order to satisfy the coverage requirements of 410(b) the plan must meet one of four requirements
  • The plan does not benefit any HCE
  • There are no non-excludable NHCEs
  • The plan has a ratio percentage of at least 70%
  • The plan meets the Classification Test
The Classification Test

- Also known as the Average Benefit Test
- Has two requirements
  - The plan meets the Nondiscriminatory Classification Test of 1.410(b)-4
  - The plan meets the Average Benefit Percentage Test of 1.410(b)-5
- The Nondiscriminatory Classification Test of 1.410(b)-4 requires
  - Plan covers a Reasonable Classification of Employees
- The Classification is Nondiscriminatory, i.e.
  - The ratio percentage is at least the safe harbor or
  - Meets facts and circumstances including having a ratio percentage of at least the unsafe harbor

Reasonable Classification of Employees

1.410(b)-4 (b) Reasonable classification established by the employer. A classification is established by the employer in accordance with this paragraph (b) if and only if, based on all the facts and circumstances, the classification is reasonable and is established under objective business criteria that identify the category of employees who benefit under the plan. Reasonable classifications generally include specified job categories, nature of compensation (i.e., salaried or hourly), geographic location, and similar bona fide business criteria. An enumeration of employees by name or other specific criteria having substantially the same effect as an enumeration by name is not considered a reasonable classification.

Established under Objective Business Criteria

- Regulation establishes guidelines for this determination
  - job categories
  - nature of compensation (i.e., salaried or hourly)
  - geographic location
  - similar bona fide business criteria
  - An enumeration of employees by name or other specific criteria having substantially the same effect as an enumeration by name is not considered a reasonable classification
Established under Objective Business Criteria

• So what does this mean
• First, it is clearly, to some extent, a matter of opinion
• Second, the requirement to establish a “business criteria” means the determination of the classification must be unrelated to the plan
• Third, if the group is too small (so as to have the effect of naming people by name) it is not reasonable

Established under Objective Business Criteria

• First, it is clearly, to some extent, a matter of opinion
• Consider an individual who owns two restaurants
  • One is called “Al’s Sushi”
  • One is called “Al’s Ramen”
• The two restaurants are next to each other
• Are they in different geographic locations?
• How far apart would constitute different geographic locations

Established under Objective Business Criteria

• First, it is clearly, to some extent, a matter of opinion
• Consider a store with a number of clerks
• The store “manager” for each shift is simply the clerk with the longest seniority
• The store “manager” has no different duties than any other clerk, and no different pay
• Is “manager” a distinct job category
• Is “manager” arguably a subterfuge to a longer age and service requirement (if the plan excludes clerks who are not managers)
Established under Objective Business Criteria

• First, it is clearly, to some extent, a matter of opinion
• The plan excludes employees not employed on the last day
• Is “employed on the last day of the year” an objective business criteria?

Established under Objective Business Criteria

• Second, the requirement to establish a “business criteria” means the determination of the classification must be unrelated to the plan
• This rule is not contained in the regulation, but has been the IRS position
• So, for example, if the plan excluded employees who would generate a normal cost in excess of $5,000 would not be allowed
• On the other hand, it might be possible to argue that if compensation was set by pay grade, employees above a specific pay grade (and therefore earning over a specific dollar amount) would be an objective business criteria

Established under Objective Business Criteria

• Third, if the group is too small (so as to have the effect of naming people by name) it is not reasonable
• On the surface, this would seem to say that if there was only one individual in each job classification then this rule would be violated
• Consider a dentist office
  • Dentist
  • Dental Hygienists
  • Dental Assistants
  • Receptionists
Established under Objective Business Criteria

• Third, if the group is too small (so as to have the effect of naming people by name) it is not reasonable
• If the plan excluded Dental Hygienists, is that a classification that has “the same effect as an enumeration by name?”
• Clearly, if there are 20 Dental Hygienists the answer would seem to be no
• But what if there is only one Dental Hygienist currently employed?
• If, over the course of years, there are 10 Dental Hygienists who had been excluded, does that test look at all these years, or just one year at a time?
• Regulation 1.410(b)-1(b)(2) seems to imply a snapshot test, but not clear...

Established under Objective Business Criteria

• What about creative construction of business criteria?
• Consider a plan with a soft freeze
• (A soft freeze is where the plan excludes employees hired after a specific date)
• Now the plan excludes employees hired after 1/1/2018
• How is hired after 1/1/2018 an objective business criteria?
• Apparently, based upon the closed plan rules, this may be considered a reasonable job classification

Established under Objective Business Criteria

• What about creative construction of business criteria?
• Assume that employees hired after 1/1/2018 is a reasonable job classification
• Consider a doctors office with 5 employees
• Plan covers doctor and 4 staff
• Plan is amended with a soft freeze to exclude employees hired after 1/1/2018
• Assuming 4 staff is a constant through turnover (i.e. when one leaves they are replaced), then
  • Concentration percentage is 4/5 = 80%
  • Safe harbor percentage is 50% - ½ X (80% - 60%) = 35%
  • 35% of 4 staff is 1.4 or 2 staff
Established under Objective Business Criteria

• What about creative construction of business criteria?
• Therefore, with a soft freeze, the plan would only be required to cover 2 staff (after reductions due to turnover) instead of 3 staff
• This result does not seem reasonable (i.e. would seem to be a problem with the closed plan rules)

Established under Objective Business Criteria

• What about creative construction of business criteria?
• The employer is a medical practice
  • One owner doctor
  • 3 non owner doctors (all NHCEs)
  • 6 staff
• The employer wants to exclude non owner doctors
• 6 out of 9 NHCEs is less than 70%
• If the plan covers two groups 1) owner doctors and 2) staff then the group owner doctors would have the effect of naming people by name

Established under Objective Business Criteria

• What about creative construction of business criteria?
• It would seem that non-owner doctors would be a reasonable classification
• So is the classification “employees who are not non-owner doctors” a reasonable classification
• That is, can a classification be defined by excluding a reasonable classification rather than covering a reasonable classification
• This seems reasonable but a literal reading of the regulation is that the test of reasonable is based upon the classification covered
Periodic Plan Amendments

- Why is this an issue?
  - Concerns about a pattern of plan amendments creating protected plan provisions
  - Concerns about the plan being permanent in nature

Permanent in nature

- 1.401-1(b)(2)
  - "The term "plan" implies a permanent as distinguished from a temporary program."
  - "The permanency of the plan will be indicated by all of the surrounding facts and circumstances, including the likelihood of the employer's ability to continue contributions as provided under the plan."

- While a pre-ERISA reg., has been amended as recent as 2014

Periodic Plan Amendments

- Creation of protected benefits - § 411(d)-4, Q&A-1(c)(1) – A pattern of repeated plan amendments providing that a particular optional form of benefit is available to certain named employees for a limited period of time is within the scope of this rule and may result in such optional form of benefit being treated as provided under the terms of the plan to all employees covered under the plan without regard to the limited period of time and the limited group of named employees.
Periodic Plan Amendments

- Hybrid plan regulations - § 1.411(b)(5)-1(d)(ii)(B)
  - Treatment of plan amendments. An increase to a participant’s accumulated benefit is not treated as an interest credit to the extent the increase is made as a result of a plan amendment providing for a one-time adjustment to the participant’s accumulated benefit. However, a pattern of repeated plan amendments each of which provides for a one-time adjustment to a participant’s accumulated benefit will cause such adjustments to be treated as provided on a permanent basis under the terms of the plan. See § 1.411(d)-4, A-1(c)(1).

Periodic Plan Amendments

- Hybrid plan regulations - § 1.411(b)(5)-1(e)(3)(iii)(B)
  - Multiple amendments – A pattern of repeated plan amendments each of which provides for a prospective change in the plan’s interest crediting rate with respect to the benefit as of the applicable amendment date will be treated as resulting in the ongoing plan terms providing for an effective interest crediting rate that is in excess of a market rate of return. See § 411(d)-4, Q&A-1(c)(1).

Periodic Plan Amendments

- Hybrid plan regulations - § 1.411(b)(5)-1(e)(3)(iv)(B)
  - However, a pattern of repeated plan amendments each of which provides for a change in the lookback month or stability period used to determine interest credits will be treated as resulting in the ongoing plan terms providing for an effective interest crediting rate that is in excess of a market rate of return. See § 411(d)-4, Q&A-1(c)(1)
Periodic Plan Amendments

- Example 1 – cash balance plan with an ongoing interest crediting rate of 1%; given on BOY account balance and pay credit given at EOY
  - Established in 2019 – no interest credit for 2019
  - Amended in each of 2020-2023 to provide interest credit is 5%
- Problem because repeated amendments to 5%

Periodic Plan Amendments

- Example 2 – cash balance plan with an ongoing interest crediting rate of 1%; given on BOY account balance and pay credit given at EOY
  - Established in 2019 – no interest credit for 2019
  - Amended for each of the following years as follows
    - 2020 – amendment credits 6% for 2020
    - 2021 – amendment credits 5% for 2021
    - 2022 – amendment credits rate of return on plan assets (10%) for 2022
    - 2023 – amendment credits 4% for 2023
- Problem?

Periodic Plan Amendments

- Example 2 – If the 6%, 5% and 4% were the rate of return on plan assets for 2020, 2021, and 2023 respectively, would appear to be an issue
  - Even if not, the amendments are giving a rate of more than the ongoing 1%
  - Not only plan qualification issue, but a title I issue
Periodic Plan Amendments

• Example 3 - cash balance plan with an ongoing interest crediting rate of 1%; given on BOY account balance and pay credit given at EOY
  • Established in 2019 – no interest credit for 2019
  • Plan amendments as follows
    • 2020 - 6%
    • 2022 - 6%
    • 2024 – 6%
  • Pattern of every two years

Compensation

• In general, compensation used to determine qualified plan benefits must be definitely determinable and nondiscriminatory
• In the past few years, plan designs have emerged that use compensation for a specific period (less than a full plan year) or of a specific type to determine benefits
• Why these designs?

Compensation

• Designs raise questions as to whether the compensation is definitely determinable
• Some formulas are addressed in an “Issue Snapshot” and memo to IRS EP staff
  • Partial compensation is of particular concern
  • Memo addresses whether a DI should be issued
Compensation

• IRS memo describes cash balance plan allocation formulas that use
  • Special bonuses,
  • Amount paid during month of March, or
  • Excess salary (§ 414(s) compensation in excess of $200,000) and § 414(s) compensation is total compensation less bonuses

• If plan terms allow employer discretion in defining the above items, then plan formula is not definitely determinable

Compensation

• IRS memo - If plan terms do not specifically provide for employer discretion then a DL will be issued
  • So can use special bonus or similar term, make sure that plan terms make no mention of employer discretion, and then employer (or employee) can decide how much is special bonus?
  • Idea is not risk-free.

Compensation

• November 13, 2019, Intersector Meeting
  • The IRS representatives indicated that, in the past, the IRS has objected to plan language that would allow for employer discretion, and looked to remove the potential for discretion before a determination letter would be issued. Under the IRS’ current approach, if the plan does not specifically allow discretion, it would not cause the IRS to withhold a determination letter.
Compensation

• November 13, 2019, Intersector Meeting
  • However, if in operation the plan language is actually used in a discretionary manner, the IRS would object to this and there would be no §7805(b) relief.
  • IRS noted that an example of such a provision is a “Special Bonus” included in plan compensation that might give the sponsor discretion over pensionable pay.

What is the Impact of High Interest Crediting Rates?

• A high interest crediting rate can impact both maximum lump sums and 401(a)(4) testing
What is the Impact of High Interest Crediting Rates on Maximum Lump Sums?

• Under IRC 415 and the associated regulations, the maximum dollar benefit is reduced for payment prior to age 62
• Under this rule, the reduced maximum benefit payable at an age below age 62 is the lesser of two amounts:
  • The actuarial equivalent benefit at the payment age of the maximum benefit payable at age 62, determined using 5% interest and 417(e) applicable mortality, and
  • The maximum benefit payable at age 62 times the ratio of the plan benefit payable at the payment age to the plan benefit payable at age 62 (with the plan benefits determined without regard to the maximum benefit and with no future accruals)

Our concern is with the calculation of the second amount
• It is important to note that this reduction does not equal the plan reduction from 62 to the younger age
What is the Impact of High Interest Crediting Rates on Maximum Lump Sums?

- For example, if the plan provides that, if the benefit is payable on or after age 60, the benefit is the age 65 benefit reduced for each year prior to age 65 by 2%, but if the benefit is payable prior to age 60, the benefit is the benefit payable at age 65 reduced by 4% for each year prior to age 65, then the benefit payable at age 55 is being reduced under the 4% rule
- But under the 415 regulations rule, the reduction from 62 to 55 would be \[\frac{100\% - 4\% \times (65 - 55)}{100\% - 2\% \times (65 - 62)}\] (the reduction to age 55) / (the reduction at age 62) = 63.82% (i.e., the maximum benefit payable at age 55 would be 63.82% of the benefit payable at age 62).

What is the Impact of High Interest Crediting Rates on Maximum Lump Sums?

- Some might argue that logically the denominator should be the age 62 benefit, but under the 4% rule, and that this rule creates too large a reduction for early retirement for a plan with a subsidy at age 62 that does not apply at the actual payment age
- Whether this is “fair” or “appropriate” is not relevant, what is relevant is that this is the rule

What is the Impact of High Interest Crediting Rates on Maximum Lump Sums?

- When this is applied to a cash balance plan with a high interest crediting rate, the result can be shocking
- Following are the results for a plan that uses 5.5% interest and 417(e) applicable mortality to convert the account to an annuity with interest crediting rates of 5%, 7.5%, 10%, 15% and 20%.
- For simplicity, this calculation ignores the statutory rates part of the calculation.
Maximum Annuity Benefit at Various Ages with Various Interest Crediting Rates

<table>
<thead>
<tr>
<th>Age</th>
<th>5.00%</th>
<th>7.50%</th>
<th>10.00%</th>
<th>15.00%</th>
<th>20.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>34,643</td>
<td>16,316</td>
<td>7,818</td>
<td>1,885</td>
<td>483</td>
</tr>
<tr>
<td>35</td>
<td>45,131</td>
<td>23,099</td>
<td>12,852</td>
<td>3,870</td>
<td>1,227</td>
</tr>
<tr>
<td>40</td>
<td>55,180</td>
<td>35,266</td>
<td>21,267</td>
<td>7,998</td>
<td>3,136</td>
</tr>
<tr>
<td>45</td>
<td>75,287</td>
<td>52,476</td>
<td>35,500</td>
<td>16,674</td>
<td>8,088</td>
</tr>
<tr>
<td>50</td>
<td>104,758</td>
<td>78,987</td>
<td>59,944</td>
<td>35,163</td>
<td>21,100</td>
</tr>
<tr>
<td>55</td>
<td>142,773</td>
<td>110,667</td>
<td>102,730</td>
<td>75,260</td>
<td>55,870</td>
</tr>
<tr>
<td>60</td>
<td>196,092</td>
<td>117,564</td>
<td>170,135</td>
<td>163,897</td>
<td>159,523</td>
</tr>
<tr>
<td>65</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
</tr>
</tbody>
</table>

What is the Impact of High Interest Crediting Rates on Maximum Lump Sums?

- As can be seen, in the extreme situation of an interest crediting rate of 20%, the age 50 maximum lump sum would decrease from $1,607,258 to $323,729, which is a reduction of about 80%
- Even at 7.5% ICR, the reduction is about 25%
- For a plan where owners are near the 415 limit, while the account balance would be near contributions plus interest, the lump sum would be significantly lower than the account balance, defeating the intent of the interest crediting rate
What is the Impact of High Interest Crediting Rates on EBARs?

- The effect of a higher interest crediting rate is different in a Defined Benefit (DB)-only plan structure versus a Defined Benefit/Defined Contribution (DB/DC) plan combination.
- In a DB-only plan, the higher interest crediting rate produces higher EBARs.
- The younger the participant, the larger the increase.
- Thus, if the plan passes testing at a lower interest crediting rate, the increase in the crediting rate will improve testing, so the higher rate is generally not a problem.

What is the Impact of High Interest Crediting Rates on EBARs?

- In a DB/DC plan combination, the increase in the EBAR is not of significant consequence to rate group testing until the interest crediting rate exceeds the testing interest rate.
- This is because the testing in a DB/DC plan combination is generally limited by the most valuable benefit, which is a function of the current account balance, not the projected account balance, so long as the testing interest rate exceeds the projection rate.
- Therefore, for example, if the projection rate increases from 5% to 7.5%, while the normal EBAR would increase significantly, the makeup of the rate groups would generally not change.

Higher IC Rate for NHCEs

- A design has gained some popularity in which the interest credit rate for non-HCEs is higher than the interest credit rate for HCEs.
- Generates higher NHCE Normal Accrual Rates based on the same pay credits.
- Allows higher pay credits for HCEs in order to reach 415 limit.
- Reduces investment risk for employer for HCEs.
- Provides higher “investment” returns for NHCEs.
Higher IC Rate for NHCEs

- At first blush, this design seems okay
- Design provides greater benefits to HCEs than to NHCEs
- There are indications, however, that IRS may have problems with it
- These indications were confirmed at the Fall 2016 Intersector meeting and 2016 ASPPA Annual Conference
- IRS appears to believe that the design runs afoul of the nondiscrimination rules for benefits, rights, and features

Bob, age 43, is an NHCE participant in the ABC Company Cash Balance Plan:
- NRA = 65
- Annuity Purchase Rate (APR) 43 = 20
- APR 65 = 12
- NHCE Interest Credit = 5%
- Bob’s age 43 hypothetical balance = $1,000
- Bob’s age 43 Early Retirement Benefit (ERB) = $1,000/20 = $50/year
- Bob’s age 65 Normal Retirement Benefit (NRB) = $1,000 x (1.05^22)/12 = $244/year

Bill, Bob’s handsome twin, also age 43, is an HCE participant in the ABC Company Cash Balance Plan:
- NRA = 65
- APR 43 = 20
- APR 65 = 12
- NHCE Interest Credit = 4%
- Bill’s age 43 hypothetical balance = $1,000
- Bill’s age 43 ERB = $1,000/20 = $50/year
- Bill’s age 65 NRB = $1,000 x (1.04^22)/12 = $197/year
Again, nothing alarming:

- A NHCE and an HCE have the same account balance at Early Retirement Age (ERA)
- They get the same annuity benefit at ERA
- At NRA, the HCE gets LESS

The question relates to Early Retirement Factors (ERFs)

- In a traditional DB plan, the ERF is the factor you multiply the NRB by to get the ERB
- Does the same concept apply to cash balance plans and, if so, how? There are no ERFs written into most CB plans; they simply annuitize the current balance
- If a plan uses more than one set of ERFs, is each set a separate Benefit Right or Feature (BRF) requiring testing?
- EA Gray Book 1992-19 states that they are separate BRFs
- But that seems to contradict the regulation, especially for CB plans (and Gray Book 2015-27 – next slide)

The final hybrid regulations permit an interest crediting rate based on a subset of plan assets. The preamble makes it clear that if all other rules are satisfied, there can be different subsets of assets for different participants. If a cash balance plan has more than one subset of assets, and each subset is used to determine the interest crediting rate for a different set of participants, is assignment to a particular subset considered a BRF that must be tested under the nondiscrimination rules?

- The interest crediting rate is part of the accrued benefit, and will be tested as such rather than as a benefit, right, or feature. The differences in rates of return on the subsets of assets will affect §401 (a)(4) amounts testing.
Cash Balance ERFs With Different ICs

• Bob (NHCE)
  • \( \text{ERB/NRB} = \$50/\$244 = 20.49\% \text{ ERF} \)

• Bill (HCE)
  • \( \text{ERB/NRB} = \$50/\$197 = 25.38\% \text{ ERF} \)

• Because HCEs have a lower IC rate, their reduction from NRA to ERA is smaller, leaving them with a higher ERB as a percentage of NRB.

Cash Balance ERFs

• As a result, the smaller the IC Rate,
• The larger the ERF, and
• The larger the ERB in relation to the NRB.
• If this results in separate BRF testing,
• Providing a lower interest credit rate to HCEs than NHCEs would result in the better ERF associated with the lower rate being provided only to HCEs,
• And the group to whom the BRF is available being discriminatory.

BRF Regs

• Of course, cash balance early retirement structures are much different than those for traditional plans.
• In traditional plans, the age 65 benefit is described and factors to convert the NRB to ERB are stated or described.
• While in cash balance plans, the ERB is a direct and necessary consequence of the plan benefit formula.
• It should be noted that in a cash balance plan, the IC Rate is an inherent part of the Normal Retirement Benefit formula.
• The BRF regulations provide that differences in benefits attributable to different Normal Retirement Benefit formulas do not create separate BRFs.
• 1.401(a)(4)-4(e)(1)(ii)(A) differences in benefit formula or accrual method. A distribution alternative available under a defined benefit plan does not fail to be a single optional form of benefit merely because the benefit formulas, accrual methods, or other factors (including service-computation methods and definitions of compensation) underlying, or the manner in which employees vest in, the accrued benefit that is paid in the form of the distribution alternative are different for different employees to whom the distribution alternative is available.

• Notwithstanding the foregoing, differences in the normal retirement ages of employees or in the form in which the accrued benefit of employees is payable at normal retirement age under a plan are taken into account in determining whether a distribution alternative constitutes one or more optional forms of benefit.

• Q3  Cash Balance Plans with Multiple Formulas
• A cash balance plan provides for immediate commencement upon termination of employment with the distribution actuarially equivalent to the current theoretical balance.
• The plan further provides HCEs with a pay credit of $50,000 and all other employees with a pay credit of 5% of pay. For HCEs the Interest Credit Rate is 4% and for NHCEs the interest credit rate is 5%.
Intersector and IRS Q&A

- Gray Book Q&A 1992-19 could be interpreted to treat the resulting implicit early retirement reductions as separate BRFs and, since the reduction for HCEs is less than the reduction for NHCEs, find the arrangement discriminatory.
- However 1992-19 dealt with a traditional plan. In this circumstance, under a cash balance plan, the accumulation at ERD is the direct result of the benefit formula and appears to meet the exception under 1.401(a)(4)-4(e)(1)(ii)(A).
- Would the ability to take distributions at termination of employment be considered a single BRF?

IRS Informal Position

- IRS was clear that, it was a long-held service position (albeit informal) that different sets of ERFs result in different BRFs that must be tested. See Gray Book 1992-19 as well as the proposed closed DB plan regs and the discussions of ERB and 415 a few years ago.
- They continued that the effective ERF in a cash balance plan is treated in exactly the same way as the stated ERFs in a traditional plan, so that if there are different effective ERFs for different people, each must be tested for current and effective availability.

Practitioner Reaction

- Many practitioners disagree with the IRS informal position.
- They believe that the early retirement benefit is inherent in the benefit formula and thus not a BRF.
- IRS has never committed this position to writing but rather it has been a "podium" position.
- Further, since two otherwise identical participants (Bill and Bob) the one with the HIGHER ICR receives the same or larger benefit, the HIGHER ICR is actually of "inherently equal or greater value" (1.401(a)(4)-4(d)(4)(A)).
Conversion factors

• Consider the owner wants the maximum lump sum at age 62, and the age 62 maximum lump sum (for simplicity) is $2,947,336
• The plan is designed such that between the pay credits and the interest credit the account balance will be $2,947,336

Conversion factors

• The conversion factor at 5.5% interest and 2020 mortality at age 62 is 12.8145 per dollar per year, making the annuity $230,000 per year
• The conversion factor at 3.0% interest and 2020 mortality at age 62 is 16.5303 per dollar per year, making the annuity $178,299 per year
• The conversion factor at 0.0% interest and 2020 mortality at age 62 is 23.9392 per dollar per year, making the annuity $123,118 per year

Conversion factors

• The change in the annuity benefit from $230,000 to $178,299 would lower the normal EBAR by the same ratio (with a similar reduction in the most valuable EBAR)
• Assuming a DB/DC, the NHCEs EBARs can have a similar reduction (subject to gateways or top heavy minimums, of course)
• Thus lowering conversion interest rate would lower NHCE costs
Questions?