

# Actuarial Mortality Improvement Scale MP-2018 Released

In October 2018, the Society of Actuaries (SOA) updated the [Mortality Improvement Scale \(Scale MP-2018\)](#) that accompanies its most recent Mortality Table (RP-2014). The updated mortality improvement scale incorporates Social Security Administration (SSA) mortality data from 2012 to 2016. Scale MP-2018 reflects a slight decrease in the rate of improvement in life expectancies in the United States compared with the data in the [2017 mortality improvement scale](#) (MP-2017). Based on the SOA's preliminary estimates, Scale MP-2018 may reduce a pension plan's current liabilities by 0.2% to 0.6%, depending on the individual characteristics of the plan. Entities should consider the SOA's new data for U.S.-based defined benefit pension and other postretirement benefit plans when making their mortality assumptions for year-end 2018 financial reporting.

The AICPA has issued [guidance](#) (Technical Questions and Answers Section 3700, Pension Obligations), which indicates that GAAP requires the use of a mortality assumption that reflects the best estimate of the plan's future experience for purposes of estimating the plan's obligation. In making this estimate, GAAP requires that all available information through the date the financial statements are available to be issued should be evaluated, (i.e. the new mortality tables must be considered by management).