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PRT Rates Reverse Course; Prices Decline

Annuity purchase rates dropped in March sending PRT prices higher. Immediate annuity rates for Retirees fell 29 basis points from 4.99% to 4.70% and deferred rates dropped 23 basis points to 4.76% from 4.99%. The highest immediate annuity rate fell 30 basis points to 5.39% and the highest deferred rate fell 29 basis point to 5.34% from 5.63%. Rate volatility narrowed. (Note: The chart uses PRT rates as of March 1, 2025.)

March 10 Year Treasury rates settled down, ranging 27 basis points between 4.11% and 4.38%. The 30 Year Treasury had a narrow range from 4.44% to 4.74%, or 30 basis points. The ICE BofA BBB US Corp Index Option Adjusted Spread advanced from 110 to 120 into April where it reached 149 basis points.

US and Foreign equity markets were mixed in March. The S&P 500 was down -6.0% after falling -0.3% in February and aggregate MSCI World markets fell -4.2%. The tariff tug of war has resulted in interest rate and safe haven volatility as the Fed seems stymied to do anything.

PRT Rate Action – Spreads to Treasuries Widen

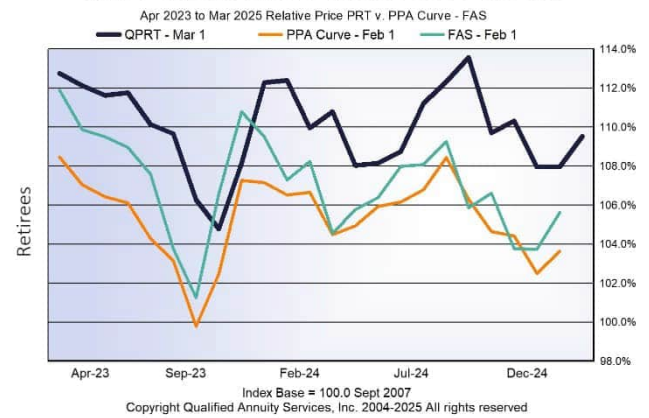
PRT Retiree Rate spreads to US 10 Year Treasuries dropped from 46 basis points to 30 while the Retiree Max spread slipped from 116 basis points to 99. The March 2025 spread to US 10 Year Treasuries for deferred fell 10 basis points from 46 to 36 and the Deferred Max fell 16 basis points from 110 to 94. The PRT risk-free advantage is still flat implying that tactical implementation of PRT strategies favors “buy ins” to de-risk, when available.

ERISA Rules

Controversy surrounds the annuity selection process as the audience awaits the findings in the courts. It should be an interesting year in the PRT space. The QAS Procedural Prudence Standard remains the blue-chip standard. QAS's process exceeds the Minimum Standard known as the “Safest Available Annuity” per DOL IB 95-1. The QAS Procedural Prudence Standard is the “appropriate standard” per Bussian.

QAS's process is now under review for updating by counsel. QAS intends to maintain the highest practice discipline in the industry. QAS is committed to our role as Independent ERISA Expert and as ERISA §3(21) Fiduciary. To learn more contact us here ([Form](#)) or give us a call.

QAS Pension Risk Transfer 1000 Index©



Fed Watch

The Fed's next move according to the CME Group FedWatch Tool ([CME Fed Watch Tool](#)) shows a 97.3% probability of rates unchanged at 425-450 basis points at the May 7, 2025 meeting. The probability for a Fed Target Rate of 400-425 at the June 18, 2025 meeting now stands at 29.4%, up from 2.7% at the May 7, 2025 meeting. Recent rates infer declining concerns on higher debt. The new administration weaves its way through an inconsistent agenda on policy statements versus actions implemented.

Rates

The US Treasury 10-year yield ended March 31 at 4.25%, up 2 basis points from February 28 or, 4.23%. The ICE BofA BBB US Corp Index Option-Adjusted Spread rose from 109 on March 1 to 120 on March 31, 2025.

PRT Model Plan Trax Index +/-	PRT	PPA
12mo Hi-Lo %	+/- 5.20%	+/- 5.79%
YTD % Δ	-0.87%	-0.38%
3mos % Δ	+1.27%	+1.78%
1mo % Δ	-0.15%	0.00%

As the rules of risk change, QAS adds value for its clients.
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Where PRT Advice Matters Most

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
Mar	4.70%	-0.29%	5.39%	-0.30%	4.76%	-0.23%	5.34%	-.29%