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J Tao* (tao@ucmo.edu), Department of Mathematics & Computer Science, University of Central Missouri, Warrensburg, MO 64093. *An Optimal Pension Funding under Stochastic Investment Returns*. Preliminary report.

In this paper we present a dynamic funding model for defined benefit pension plans. A stochastic control technique is applied to find the optimal funding by minimizing the risks associated with pension plans. The investment rates of return are considered to be stochastic following moving average models. (Received September 20, 2007)