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Retirement Section News

Interview With Past Retirement Section Council Chairs

By Faisal Siddiqi and Mathieu Laurendeau

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Retirement Section News

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Chairperson's Corner

By Ruth Schau

Hello and welcome to change. I am the new chair of the Retirement Section Council and am passionate about innovation and improving plan design for future retirees. Innovation is led by change or at least thinking about change, so let's talk about change. While a lot of this newsletter talks about the past 99 issues, I'm not looking back, but using our knowledge from the past to look forward.

If I look to the recent past, my computer crashed during the week I planned to draft this article, so I was given a new computer with Windows 10. This change was unplanned and included a learning curve with the operating system, so I was not exactly happy, but I had to adapt. Change happens continually although we might have a little more preparation time than I had with my computer.

Change may be due to legislation. Change can occur gradually with planned revisions, or it can be immediate and abrupt. But either type of change needs to be managed by all of us. With more preparation, it is easier to accept change, but even a computer crash leaves us with no other option than to accept the provided solution.

Positive change can be great if you are a consultant and retirement legislation drives new projects, discussions and maybe profit. New requirements and new ideas are energizing. Over the past year I've enjoyed many great discussions on retirement plan design and how to balance education debt payments with saving for retirement. Change can be great for the future of retirement and retirement actuaries, but how much do we know about the psychology of change, and should we learn more?

IQ, EQ and AQ—no, these aren't abbreviations from annuity functions or mortality studies, but psychology. Actuaries probably have better than average IQ, and we can't do much to change that, but EQ and AQ can be learned and practiced. EQ will vary by person, with leaders hopefully having higher than average ability to have insight and versatility in working with others. But what about AQ? It's a fairly new term (adaptability quotient) that I heard mentioned at the most recent SOA leadership conference. Almost sounds mathematical, doesn't it? AQ refers to your ability to be resilient, adaptable and able to manage change. As a retirement actuary for more than 30 years, I know change definitely happens and we adapt whether we want to do so or not. I'm sure I'm not alone in wishing there was a way to bring back DB plans to the corporate world, but that isn't likely in the decade ahead. High AQ means accepting change, looking ahead, learning new skills, maybe even stumbling along the way, but being able to keep moving forward—gaining knowledge in the process.

I have great faith that retirement actuaries can accept change, adapt and remain vibrant in the work we do and take the challenge to accept new roles that will appear in the market. For instance, DCIIA[1] just released a series titled "Design Matters: The Retirement Tier." If you haven't looked at this release and what I view as a great call to action for retirement actuaries to use our knowledge to improve DC plans, please do so. Most DC plans were not designed to be the sole retirement plan.[2] Who better than retirement actuaries to educate and discuss options for DC plans, so sponsors can not only help employees plan for the accumulation, but also design a balance of payment options for the draw-down phase?

Retirement actuaries are skilled to provide this necessary consulting service, and other professionals involved with DC plans may not have the knowledge to appropriately discuss options and help clients make decisions that best meet the needs of their plan participants. Let's do it. ■

Ruth Schau, FSA, EA, FCA, is the senior director, head of Practice, Retirement Strategy at TIAA. She can be contacted at *ruth.schau@tiaa.org*.

ENDNOTES

1 Defined Contribution Institutional Investment Association. *https://dciia.org/news/news.asp?id=472960&hhSearchTerms=%22Design+and+Matters+and+Retirement+and+Tier%22*

2 With the exception of older 403(b) plans with good in-plan annuities providing for investment and retirement payment options

A View From the SOA's Staff Fellow for Retirement

By Mary Stone

The 2019 SOA Annual Meeting & Exhibit in Toronto provided a great opportunity to share practices between the United States, Canada, and other countries providing inspiration to new thinking. The overall theme for the meeting—**Evolve. Empower. Elevate.**—was engaging and illuminating.

Evolve with today's disruptive technology.

Empower yourself through innovation.

Elevate the actuarial profession.

The Presidential Luncheon included a presentation from Ajay Agrawal, coauthor of the book *Prediction Machines: The Simple Economics of Artificial Intelligence*. As AI, machine learning, and data science make it possible to handle large data sets to lower the cost of prediction, the judgment of what to do with the prediction remains an important skill set. Actuaries have long dealt with prediction using probability and statistics, although historically based on more limited data. In the future, judgment skills will take on increased importance. The SOA and the SOA Board are exploring these important trends to support the continued development of the profession.

I was fortunate to participate in a few annual meeting sessions that highlighted both of these themes—sharing experiences across countries and examining the impact of technology on the retirement industry. In the session DC and Other Non-DB Employment Benefit Options Used as Sources of Retirement Income, Brian Linde of TIAA in the United States and Jeff Denniston of Aon in Canada outlined how defined contribution plans in their respective countries deliver retirement income. By comparing and contrasting the two systems, the best of both worlds can be examined as opportunities for improvement in each country. Other sessions included speakers from both countries, which enhanced the learning for attendees.

In the session Technology and the Impact on the Retirement Consumer, Greg Ward of Financial Finesse presented findings from the Retirement Planning Tools Guide, which was recently completed as a joint research project between the SOA and Financial Finesse. The guide examines various calculators with different styles and level of detail needed to generate accurate results. Although the tools can generate useful information,

supplementing these tools with human interaction with an unbiased adviser can be more impactful in changing behavior. Nathan Zahm of Vanguard then presented how AI and machine learning can be used to automate advice tasks. Modeling can also help derive optimal combinations of retirement income sources.

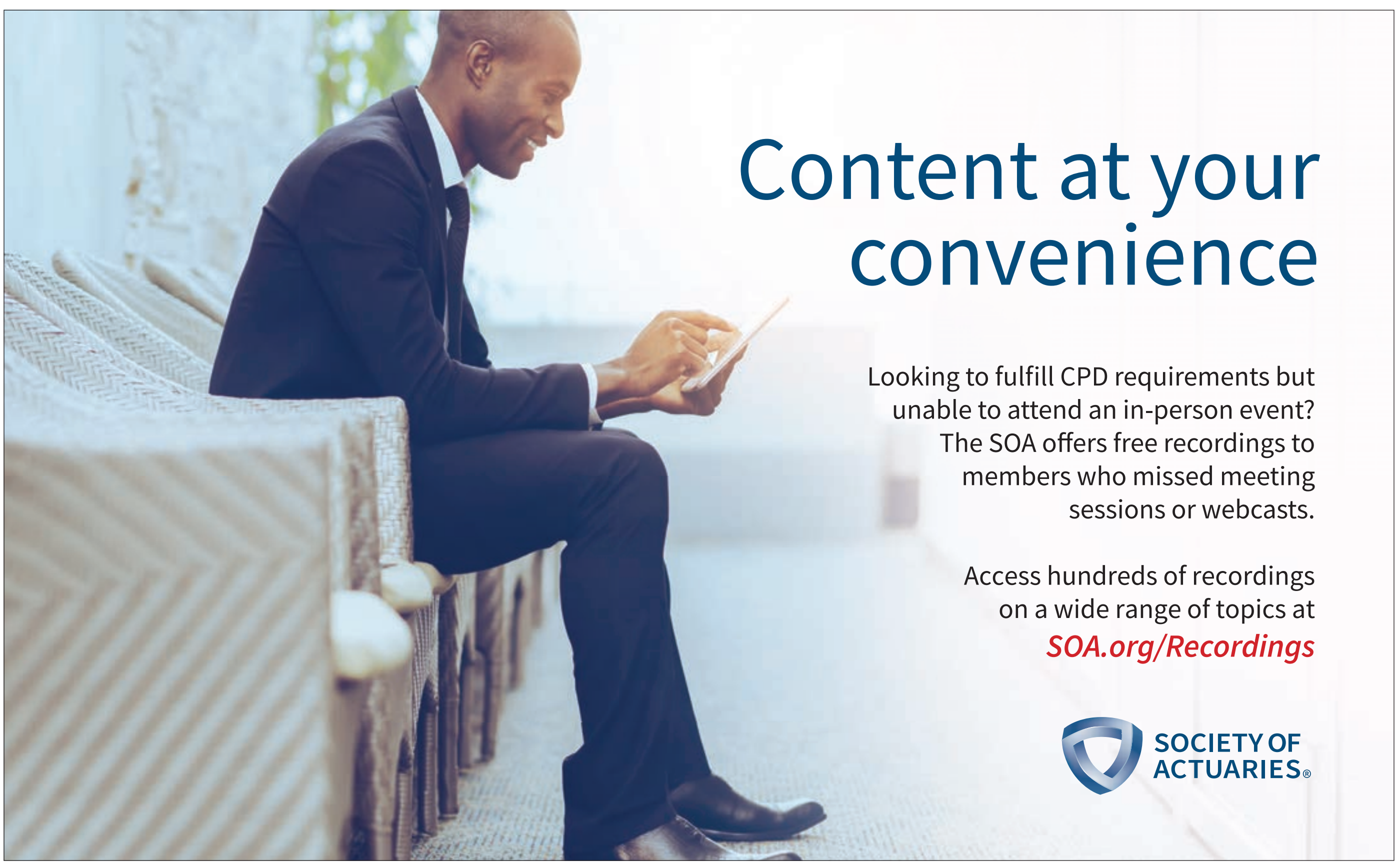
Recently, the Retirement Section Council had a meeting to welcome the new section council members: Grace Barbieri, Lee Gold, Todd Tauzer, and Lisa Ullman. There was a lot of great discussion and brainstorming for 2020 projects. Stay tuned to learn more in future issues of the *Retirement Section News*.

With the introduction of digital newsletters in 2019, the publication process is continuing to evolve in 2020. To enhance the timeliness and convenience of content for members, the *Retirement Section News* will be moving to a fully digital format with monthly publication of content. The articles may be viewed on your phone and shared through social media and email.

A search of past issues of *Retirement Section News* shows a transformation of the newsletter from a technical resource to the dynamic content of recent issues covering a variety of topics. As an example of how our newsletter has evolved, the 50th issue of *Pension Section News* (the newsletter's name until the 94th issue in February 2018) published in October 2002 included the trustee reports for OASDI, HI, and SMI—content now more readily available from the SSA website and other channels. The 50th issue also included the Chairperson's Corner (Paul Angelo), notes from a recent Pension Section Council meeting, and a Continuing Education update that included a list of recent webcasts.

Before we move to the fully digital format, this printed edition represents the 100th issue of the *Retirement Section News*. We've included some great content, looking back at the evolution of actuarial practice and the operation of the Retirement Section Council. Special thanks to all the volunteers who participated in the development of this special edition. Enjoy! ■

Mary Stone, FSA, EA, FCA, MAAA, is staff fellow—Retirement for the Society of Actuaries. She can be contacted at *mstone@soa.org*.



Perspectives From Anna Rappaport: What Meetings Have Meant to Me in My 50-Plus Years as an Actuary

By Anna Rappaport

I have attended many meetings during more than 50 years as a fellow of the Society of Actuaries (SOA). The meetings have been large and small, in many different locations and with different groups of people.

I have also participated in many webinars, as a speaker and attendee. Today, as webinars and online opportunities have become more common and travel seems to be less convenient, there are choices to be made and questions to be answered:

- How much of my continuing education should I get without leaving home?
- How many in-person meetings should I attend and which ones?
- Should I choose meetings specialized to what I do or broader meetings?
- How does this fit with my job or other commitments?
- Which will I attend if I need to pay for them myself?
- What is the benefit of a multi-day in-person meeting?

I am sharing my thinking about some of these issues in the hope that it will help you to think about them for yourself. I encourage people to attend well-chosen meetings and maintain a network of people outside of their current organization.

Over the years, I have gotten a lot from going to meetings. Some key things for me personally:

- I like the SOA annual meetings because they give me a sense of what is happening in the profession. I found that occasionally going to a much broader meeting helps me to realize that the profession is a lot bigger than the silo I am in. Likewise, I found that attending an international meeting or two gave me a bigger and different feeling about the profession. Switching between bigger and smaller meetings also works well for me.
- All day or longer meetings away from my day-to-day environment are valuable to me because they give me some time to think about new ideas and to sort things out in my head. I try to integrate the new ideas with what I believe to be true and understand why they are important. I have shared some of these ideas in past perspectives columns.
- Speaking has been a way to share what is important to me. I like to present but I also like to ask questions, and in some settings, I have the reputation of asking a lot of questions.
- Networking has been important to me personally, and meetings have supported those efforts. The people you meet at meetings may lead to some sort of opportunity, but one should never count on that.

I encourage people to attend well-chosen meetings and maintain a network of people outside of their current organization.

- I am trying to share the SOA research that I am proud of with others and speaking at meetings with people outside of the profession is one way to do that. I am happy that I have been able to present at several PSCA and WISER meetings over the years.
- Some meetings offer the chance to reconnect with and see people I would like to see but have not seen for quite a while. The SOA Annual Meeting & Exhibit is like that for me.
- I try to figure out in advance who I think I want to connect with and often set up appointments before I go to the meeting. I may also set up appointments with people in the city where the meeting is.
- Some meetings offer the chance to make new contacts. At the 2019 SOA Annual Meeting & Exhibit, I met someone who asked a question from the floor and someone who made a presentation who I was interested in talking with.

I was able to establish these new contacts. I find it can be more challenging to meet people in larger meetings.

- Some meetings offer the chance to get new information on a topic I already know about. This is often a disappointment. Particularly when I was in a large firm, one could usually get such information without going to the meeting.
- Some meetings offer the chance to broaden horizons. I find that sessions on topics that I am not that informed about or know very little about can get me started thinking about new things. Some of the sessions at the SOA annual meetings are like that. The annual symposia of the Pension Research Council have often introduced me to new ideas or approaches that I had not thought about. Pretty often, I have gotten a lot from attending sessions on things that are new.
- Some meetings do not have good content, and I have tried to avoid those. It is important to do some due diligence before deciding what to attend.

THE MEETINGS I ATTEND

The SOA meetings are my favorite actuarial meetings. I should point out that since I retired from my last traditional job at the end of 2004, I am not doing traditional actuarial work such as valuations and contributions for retirement plans, but rather I am trying to focus on the bigger picture, policy issues and issues for individuals. I have also been trying to connect with retirement professionals from other organizations. (And I am no longer an enrolled actuary so the CE requirements for enrolled actuaries no longer apply to me.)

I wanted to share some insights about other meetings that I have found to be interesting:

Plan Sponsor Council of America (PSCA) annual meeting—this is a 2.5-day meeting focused on defined contribution approaches including health savings accounts and the concerns of plan sponsors. I have attended several of these meetings and have been able to share some of the SOA research. I have enjoyed these meetings because they offer insights into what plan sponsors are interested in, reviews of recent litigation, and a variety of issues about improving defined contribution plans.

Pension Research Council annual symposium—this is a two-day meeting primarily for individuals affiliated with organizational members of the Council. There is always a topic or theme for the meeting, and then the papers and sessions fit into the development of the theme. I love these meetings because the topic is often something I do not know much about and the papers and discussion get me to think about something new or extend what I know. I am a member of the Advisory Board of the Council. I also enjoy the networking at these meetings. Most of the attendees are not actuaries and they represent a broad cross section of research interests and leadership in the retirement community.

National Academy of Social Insurance annual symposium—this meeting is generally about broad policy issues and it is held at the National Press Club. The content often includes policy and the focus is a mix between academic and policy. Since most of my work has focused on the employer-sponsored programs and on individuals, this content tends to broaden my focus. I also again enjoyed the networking at these meetings. I am a member of NASI and previously served on its board and membership committee.

EBRI policy forums—one-day meetings focused on current policy. These meetings offer a leading-edge look at current policy issues and analysis of how they affect the retirement system. They also offer a great networking opportunity.

SOME HIGHLIGHTS FROM THE 2019 SOA ANNUAL MEETING & EXHIBIT

I was happy to attend the 2019 Annual Meeting & Exhibit and to be invited to some events as a past president of the SOA. I'll share some highlights here.

Many time slots offered me the choice between two or more sessions that I wanted to attend. I appreciate that there are many sessions that have content of personal interest to me.

I presented in three sessions and I really liked all of them. For this article, I am focusing on those sessions.

I particularly liked the session on the Societal Impact of Actuarial Work. This session crossed over various disciplines and it looked at the issues of how actuaries can impact important issues and outcomes in their daily work, in volunteer work for the SOA and others, by working for government, by serving on governmental advisory committees, by the job they select, and by running for public office. The panelists discussed how they personally had concentrated on these issues and provided ideas to the audience. I believe that actuaries play an important role in our daily work in that we help secure the integrity of financial security systems. However, there are broader roles we can play. Population aging will affect many aspects of society, but there is little long-term planning for the results of such aging. Actuaries are well suited to contribute to such planning. We need more discussions about the societal impact of our work.

There was a session devoted to a presentation of the winning essays from the 2018 SOA essay contest, Family Structure, Role and Dynamics Linked to Family Structure. I believe this is a vitally important topic because family is so important in retirement planning, but it is often overlooked. John Turner discussed the changing demographics and expressed the view that the role of the family as the source of support in retirement has declined greatly. However, I would point out the SOA's research on individuals age 85 and older points to the importance of help from family. Greg Ward discussed research that showed the differences in retirement planning based on family status. Linda Koko talked about the variety of families today and the issues that this raises for beneficiary designations. I discussed the issues for people without families. The entire essay collection can be found at *https://www.soa.org/resources/essays-monographs/2019-family-structure/*.

In the last time slot, there was a session on employment issues related to retirees trying to work in retirement and choose their paths. Reboot, Rewire or Retire: Important Decisions About Next Steps After Full-Time Work. A reference list was included in the handouts together with several articles. This session provided insights into the challenges older workers are having and shared the fact that many are out of work or change jobs as they near usual retirement age. Richard Johnson, an economist from the Urban Institute, shared highlights of many years of work. Tim Driver, CEO of *RetirementJobs.com*, updated us on the market for jobs for retirees. These are jobs for people seeking new work after retirement. There is a growing interest in the market in these job seekers. Those who are flexible and realistic have a much better chance at jobs. Sally Hass, a retirement educator and consultant, provided a perspective on how businesses can address these issues. She also provided insights into the business case for taking action on this front. I was the last panelist sharing some insights about my own situation as a phased retiree. I have been focused on this topic for more than 20 years and am sad that more progress has not been made. A new SOA research project is being formed to think about this topic.

If you attended the SOA annual meeting, I am confident you will have some favorite sessions as will most of the attendees. I hope that all members of the SOA will have the opportunity to attend these meetings, at least once every three or four years. ■

Anna M. Rappaport, FSA, serves as chairperson of the Committee on Post-Retirement Needs and Risks and the Steering Committee for the Aging and Retirement Strategic Research Program. She can be contacted at *anna.rappaport@gmail.com*.

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Actuarial Practice in the Retirement Benefits Arena: Yesterday, Today and Tomorrow

By Patrick Ring

In keeping with the theme of this 100th issue of *Retirement Section News*, the SOA Retirement Section Council asked well-experienced actuaries, including some past chairs of the Retirement Section Council, to respond to several questions related to how actuarial practice in the retirement benefit arena has changed over the years and how it might evolve in the future. The interviews that follow are a compilation of responses from three actuaries.

Byron Beebe, FSA, EA, is the global market leader of Aon's Retirement & Investment business. In this role, Byron has overall responsibility for growth and client solutions for Aon's actuarial, investment, and pension administration businesses. He specializes in helping clients design total reward strategies to meet the needs of a changing workforce, and in pension de-risking strategies.

Patrick Ring (PR): How has your practice changed over the years?

Byron Beebe (BB): I have worked in the pension/retirement industry for 28 years. When I started, pensions were an employee benefit that was an important part of the total rewards program for most employers. Interest rates were high, many plans were well funded, and we spent a lot of time talking to employers about how to improve pension plan designs.

Over the course of my career, lower interest rates and a couple of years of poor equity returns have led many pension programs to be underfunded. Increasing pension costs coupled with rising health care costs have squeezed the amount of money allocated to retirement programs. Many employers have moved away from traditional defined benefit plans and company-subsidized retiree medical programs.

Today, most employers—even those that still sponsor defined benefit plans that are open to new hires—think of their plans as a debt that needs to be managed. The actuarial community has taken the lead in helping employers develop new risk management strategies. We have become trusted advisers to finance and investment committees and find ourselves working side by side with investment consultants to implement and execute strategies on behalf of our clients.

Our work with HR departments has changed significantly as well. When I started my career, actuaries were typically assisting HR staff with manual benefit calculations on a regular basis. Many of our client contacts who were experts on pension plan provisions have retired, and rather than train additional staff, plan sponsors have outsourced the responsibility for pension administration. Actuaries play a critical role when benefit calculations are outsourced, as we are often the most knowledgeable source for historical information about transfers, rehires, and M&A transactions.

As our clients have changed, we have evolved our practice to be much more focused on balance sheets and income statements to make sure we can measure the impact of important initiatives. Rather than just playing the role of an adviser, we are working more as an extension of our clients' staff. The work we are doing today, and the experience that we are giving to our young students, is more interesting and more impactful than the work we were doing 25 years ago.

PR: What has been the impact on your practice of the increased attention being given to the postretirement needs and risks facing today's workforce?

BB: As employers have reduced company-provided retiree medical subsidies and moved from defined benefit to defined contribution retirement programs, the responsibility for accumulating sufficient retirement assets has shifted from employers to employees. Many employees are not prepared to assume this responsibility and the industry has increased its focus on financial well-being programs in response to these trends.

With regard to the topic of financial well-being, the actuarial community can be most helpful as educators. First, we need to educate employers about the long-term effects of having employees who are not prepared to retire. There is no longer the orderly, predictable pattern of retirement that we used to see when employees hit important milestones that made them eligible for retiree medical and/or pension subsidies. Employees are hungry for their employer to help them understand their retirement programs and explain how they can accumulate retirement assets that will allow them to sustain their standard of living after employment.

We also need to engage workers early in their careers by giving them short-term goals. For example, projecting the amount of assets needed at retirement can be overwhelming for a 25-year-old worker. If we can give those same workers an estimated asset accumulation target at age 30, it might be easier for them to understand. Helping workers pay off student loans and buy their first home while continuing to save for retirement will give them confidence in their ability to control their financial future. Actuaries can help employers pull all of this together to create a financial well-being strategy that will result in better outcomes for employers and their workers.

PR: Do you have any predictions for the future or messages you would like to share? For example, how can actuaries help build a better future in this area?

BB: We have already started to redefine the profession. We used to call ourselves pension actuaries and now we refer to ourselves as retirement actuaries. That change may be subtle, but I think we are sending the message that our profession has the skill set necessary to help workers across the country retire more comfortably. We can—and should—be helping employers and our government design more efficient retirement programs that will improve outcomes for workers. For example, pooling assets to more efficiently share risk among plans can certainly reduce fees and allow employees to access the best and most innovative solutions for our nation's retirement programs, and actuaries are best positioned to design those programs.

> We used to call ourselves pension actuaries and now we refer to ourselves as retirement actuaries.

Craig P. Rosenthal, FSA, EA, FCA, MAAA, is a partner in Mercer's wealth business who has spent most of his 30-year career providing strategic consulting services to large/complex and multinational organizations, including a number of government contractors. In this capacity, Craig provides consulting advice related to retirement income/postretirement benefit programs helping plan sponsors achieve their funding, accounting and risk management objectives, as well as ensuring that the retirement programs appropriately balance sponsor objectives and participant needs. In addition to his consulting responsibilities, Craig provides technical guidance to Mercer's consultants and is a thought leader on retirement security issues.

PR: How has your practice changed over the years?

Craig Rosenthal (CR): The corporate retirement landscape has shifted dramatically in the past 30 years. When I started my career in 1989, most large companies offered both a DB pension plan and a 401(k) match, with many also offering some type of subsidized postretirement medical option. Back then, DB formulas of 1.5 percent of final average pay for each year of service coupled with a 50 percent match on the first 6 percent of pay an employee contributed to a 401(k) plan were fairly common, and the retirement program was prominently featured in companies' recruiting efforts. While companies still compete for talent using a combination of pay and benefits, there is now more emphasis on near-term offerings such as incentive pay and other perquisites.

Over these past 30 years, the movement toward a mark-to-market basis for measuring pension liabilities and annual contributions/pension expense, coupled with the continued downward trajectory of interest rates, caused pension liabilities to balloon and made contributions and pension expense much more volatile. When SFAS No. 87 (now ASC 715) took effect in

the late 1980s, discount rates in the 7 to 8 percent range were fairly common, and pension plans were funded actuarially based on the expected return of the portfolio. Today, discount rates are below 4 percent for many plans, pension plans are funded (and key decisions are made) based on near-term cash and expense implications, and most pension plans have been closed to new entrants and/or frozen.

PR: What has been the impact on your practice of the increased attention being given to the postretirement needs and risks facing today's workforce?

CR: From an employee perspective, the move to a DC-only program has empowered individuals to take control, while simultaneously putting them in charge of their retirement destiny. At many larger companies, 401(k) matching percentages are both higher and cover more pay elements than they did in the past, and many companies also provide nonelective contributions. There has also been tremendous innovation in what DC plans offer, from target date investment options to guided "do it for me" investment options. In addition, many now have access to much more comprehensive retirement modeling systems that can provide stochastic analysis and also reflect the spending needs during the retirement life cycle (e.g., more travel and leisure in the early retirement years, followed by a simple living period having "been there and done that already," and then higher out-of-pocket medical expenses in the later years).

Employees have been the beneficiary of more robust retirement education and tools, which has led to a higher percentage of employees contributing to their 401(k)/403(b) plans, and at higher percentages of pay than in the past. Those that have saved and invested for the longer term have also benefited from the longest bull market in history. Despite these great strides, we need to continue to motivate employees to save through education and encouragement, and we also need sensible regulation that enables every worker (including self-employed and "gig" workers) to have access to a well-run retirement program. Open MEPs would provide a great vehicle for those workers who don't currently have access to a plan, and hopefully Congress has enacted/will soon enact legislation that would allow unrelated employers to join these programs.

Despite these advances, we still need to solve the spend-down issues. Recent studies show that many retirees are underspending, which is the opposite of what we've been historically told to expect. While as an actuary I prefer underspending to overspending, retirement is a time that most people have looked forward to after 40-plus years of work, and those golden years shouldn't be overshadowed by a fear of running out of money.

PR: Do you have any predictions for the future or messages you would like to share? For example, how can actuaries help build a better future in this area?

CR: The value retirement actuaries can bring to society is greater now than ever before. Just as every worker needs access to a comprehensive retirement savings vehicle, every retiree needs a way to turn their retirement assets into an efficient form of lifetime income. People are already working longer careers than their predecessors, and that trend is expected to continue. While that should translate into more assets accumulated for retirement, life expectancies continue to improve, so retirees will also have to plan for longer lifespans.

These dynamics have created a tremendous opportunity to develop innovative products and services that would appeal to retirees and provide an alternative to traditional annuities. These offerings could combine new investment options with risk pooling/insurance products to provide lifetime income for people whose primary/only retirement vehicle has been a defined contribution plan. While many of the building blocks for these solutions already exist (inflation hedges, longevity swaps, structured notes, etc.), most aren't currently accessible or practical for an individual retiree. By combining our actuarial knowledge with an increased understanding of the investment side, we owe it to society to play a critical role in shaping what retirement will look like in the future.

We should all be inspired to be the optimist from the famous Winston Churchill quote: "*A pessimist sees difficulty in every opportunity, an optimist sees opportunity in every difficulty.*"

Leon F. "Rocky" Joyner Jr., FCA, ASA, MAAA, EA, is a senior vice president and actuary in the Atlanta office of Segal Consulting. He is Segal's public sector retirement practice leader and a member of the firm's Public Sector Leadership Group. He has more than 40 years of actuarial consulting experience with all types of pension plans. Rocky currently is a consulting actuary for many government clients, including City of Birmingham; Memphis Light, Gas & Water Division; San Antonio Fire and Police Retirement System; DeKalb County, Georgia, Georgia Municipal Employees' Benefit System; and Government Employees' and Retirement System of the United States Virgin Islands.

PR: How has your practice changed over the years?

Rocky Joyner (RJ): (Rod Serling voiceover from *The Twilight Zone*) Imagine a world with no PCs, no cell phones, no fax, no FedEx. A spreadsheet was literally a piece of paper with gridlines for writing in the numbers. We had an adding machine with a paper tape so you could check your input. We went from "it's in the mail and will be there in a few days" to "it will be FedExed overnight" to "it will be faxed shortly" to "email coming now."

I remember the first time we used a fax machine. It seemed right out of science fiction.

We have gone from secretaries who supported one to three actuaries to administrative assistants that may support ten or more individuals.

And that is just the physical nature of the work.

The work itself has also changed. In my early years, the focus was the valuation report. Assumptions were more uniform (partly because of calculating limitations) and detailed projections were a rarity. ERISA was new and we were all scrambling to develop protocols and make sure our clients were in compliance. Then the Multiemployer Pension Protection Act of 1980 made sweeping changes to union plans adding a new focus on something called "withdrawal liability." Government pension plans were not in the news. Many were 100 percent fixed income and not making headlines.

Many corporations had DB plans and 401(k) was a small supplemental side of retirement on which few were focused.

All of this changed with the high interest rates of the early 1980s and the booming stock market from the 1980s to the late 1990s. Suddenly, pension plans were big news and it was discovered that a lot of money could be made on the investment side. Then with FASB 87 and some changes in single employer funding rules, the corporate DB world seemingly overnight was transformed into a DC environment dominated by 401(k) plans. Except, of course, for key executives who kept a form of DB plan for themselves.

In the multiemployer world, changing demographics and legislation put added pressure on the ability of collectively bargained plans to provide retirement benefits to their workforce.

After the tech bubble of the early 2000s and the 2008 economic downturn, public sector DB plans found themselves in the crosshairs of those that sought to transform the DB models to something similar to the DC models of corporate America.

More recently, the growing realization that today's DC plans are not providing the retirement security working people need has led to a new appreciation of the desire for secure permanent income in retirement.

Needless to say, my almost 42 years in the business has always been interesting. I tell prospective employees that the work is never dull.

Needless to say, my almost 42 years in the business has always been interesting … the work is never dull.

PR: What has been the impact on your practice of the increased attention being given to the postretirement needs and risks facing today's workforce?

RJ: The focus has required that we develop better tools to measure retirement readiness, funding needs, and the purpose of the plans and how they support the business enterprise: whether in the corporate, multiemployer, or public sector.

Holistic benefit statements that combine all aspects of retirement savings (DB, DC, Social Security and retiree medical) help an individual understand how well they are situated for retirement.

Expanded modeling tools including deterministic and stochastic projections have been developed and expanded to measure emerging trends and potential risks for retirement programs.

Additionally, everything the actuary does now is open to the public and subject to critique. Expanded disclosures and materials are being used to readily explain to the public what the actuary is attempting to study and why decisions are made.

PR: Do you have any predictions for the future or messages you would like to share? For example, how can actuaries help build a better future in the public plan arena?

RJ: The DC retirement model will evolve with more attention to the "pay-down" period. Better tools are needed to help participants understand the ramifications of their decisions. Creative annuitization options will need to be developed and actuaries must be able to measure their efficiency.

I believe that, at some point, the pendulum will swing toward DB plans as an alternative to the difficulties DC plans have in supplying adequate retirement income. The form of these plans is yet to be determined. Actuaries must continue to be inventive and forward thinking in developing solutions for our clients and the participants in the plans.

On the health side, continued consolidations in the health industry (hospitals, doctor groups, etc.) may lead to a de facto national health care system, run by the private sector and not the government. This would bring new challenges to our clients and to actuaries as we help our clients ensure their employees have adequate health benefits.

Actuaries need to be at the forefront in bringing new ideas, developing solutions, and educating policy makers. The next 40 years will likely bring as many changes as I have seen in my 40-plus years. Who knows? One day we may have those flying cars like the Jetsons had (that would create some new insurance models for casualty actuaries). ■

Patrick Ring, ASA, EA, MAAA, MSPA, volunteers as a member of the SOA Retirement Section Council's communications team. In addition, he assists the SOA in fine-tuning and optimizing the Retirement Section's webpage on *SOA.org*. He can be reached at *pringactuary@gmail.com*.

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Research Supporting Retirement: The Aging and Retirement Strategic Research Program

By Anna Rappaport

THE PROFESSION AND THE BIG PICTURE

Research has always been a primary function of the Society of Actuaries (SOA). While many SOA members have participated in research projects supporting retirement and many more have used the results, few may realize the breadth of the overall efforts. This article provides a glimpse into the SOA's efforts to provide research with an objective of improving the retirement system.

In celebration of the 100th issue of *Retirement Section News*, we will review SOA research supporting retirement programs and some important recent developments. It has a variety of components and they started at different times. Some key elements of the research include:

Mortality and other experience studies: These studies date back to the beginning of the Society of Actuaries and maybe to its predecessor organizations. The SOA is the primary source of mortality tables for pension, annuity and life insurance valuation, and it is a source for other types of experience studies as well. Some of the tables are recognized and used by regulatory bodies.

Technical research, study material and papers supporting retirement actuarial work: The SOA is one source of such work. The focus of this work is often retirement plans with various types of sponsors. The Retirement Section Research Committee is the primary sponsor of such work and undertakes a variety of projects aimed at retirement practitioners. Studies can come from the practitioner or academic community. The SOA also contracts with researchers for some studies. In addition to such projects, the Retirement Section sponsored a major project and conference on the future of the retirement system—Retirement 20/20. This multiple-year project looked at the big picture of securing retirements in our society and developed models for plans that could better address risk-sharing needs of various stakeholders in the future. It looked at the system from the viewpoint of the multiple stakeholders.

Post-Retirement Needs and Risks Committee research: This SOA research starts with a focus on the individual and

includes public-attitude research, both surveys and focus groups, public education, calls for essays and papers, retirement-income-focused research, and other studies. This work started about 20 years ago and has been managed by the Committee on Post-Retirement Needs and Risks (CPRNR). These activities are usually conducted by multidisciplinary teams and the research oversight groups include representation from actuaries plus a number of other professional groups such as economists, demographers, plan sponsors, financial advisers, large investment firms, and the not-for-profit community. Some projects are joint with the retirement section research committee, universities, and other organizations with a shared interest in research or communication with the public and other audiences about retirement.

Data-driven research: About 10 years ago, the SOA established a staff position for a research actuary to do statistical and quantitative research on the U.S. pension system. An additional actuary was then added to do similar work for Canada. These actuaries focus on issues important to the entire system and assist the profession in providing input into policy issues. This group also produces a large number of fact sheets and maintains a variety of statistics. Recently, there has been a heavy focus on multiemployer plans.

The Aging and Retirement Strategic Research Program: In October 2018, the Society of Actuaries launched the Aging and Retirement Strategic Research Program. This program brought together these diverse research efforts plus long-term care research into a more unified program. The program had its first anniversary in October 2019. This article provides an update on the program and SOA's aging and retirement research efforts through late 2019, together with a look at some of what is in progress.

THE EXPECTED OR THE UNEXPECTED?

The research reports and consumer education from the groups participating in this effort include material to help support retirement systems and practicing actuaries working with retirement plans.

But some of the work is focused on the individual. The underlying goal for much of this work is identifying individual retirement challenges and applying actuarial knowledge of the retirement system to individual situations. This is an opportunity for actuaries working with others to try to have an impact on the world. For many people, this work may not be what they would expect from the actuarial profession. One of the research categories described in this article is consumer education and societal issues. There is further discussion of these projects after the listing of projects.

Many countries are aging today in ways never experienced before in history.

THE AGING AND RETIREMENT STRATEGIC RESEARCH PROGRAM

Many countries are aging today in ways never experienced before in history. This is the result of longer life spans, fertility patterns, advances in medical treatments allowing longer lives, and other factors. These factors affect many of the systems that actuaries support and influence employment, retirement, long-term care, and health care systems as well as the total economy in many countries. While many of the research endeavors of the SOA have been targeted to specific elements of retirement programs, the new program enables a broader look at aging in total with more coordination required across multiple disciplines, resulting in more ambitious projects and better visibility for the projects.

The program goals: The Aging and Retirement Strategic Research Program addresses a variety of issues related to aging and provides information of use to the public, to actuaries, to policy makers, and other professionals supporting financial security systems. The overall goal of the program is to apply the extensive research of the Society of Actuaries to improve how individuals experience retirement and the financial security programs they rely on.

Who we are: The program brings together a number of Society of Actuaries research and consumer education efforts encompassing postretirement risks, retirement plans, long-term care, experience studies and data-based research. Projects are developed and executed by a combination of SOA staff, volunteers, contracted researchers and partnerships with other organizations. The volunteers come from a variety of professions including actuarial science, demography, employee benefit management, economics and law. A steering committee oversees the entire effort.

What we do and how we do it: The projects of the program include public-attitude research, mortality and experience studies, technical studies to support plan sponsors, studies to support individuals and consumer education. The steering committee selects broad topics to be addressed and may issue an RFP seeking qualified researchers, or it may recruit a group to oversee a project tasked with formulating the topic more specifically and recommending an approach that best addresses the overall desired goals. All projects, once formally commenced, have a project oversight group overseeing the work. These groups typically include both actuaries and other subject matter experts to provide a broad perspective on the work. Projects can be executed by a group of volunteers, by contracted researchers, or by SOA staff. This depends on the type and scope of the project. Some projects may also be cosponsored with a partnering organization.

WHAT HAS BEEN COMPLETED DURING THE PROGRAM'S FIRST YEAR

The first year of the Aging and Retirement Strategic Research Program started with a new study at launch, described later in this article, the completion of a number of projects that were already in process, and the start of some new ones.

THE LAUNCH PROJECT AND RELATED WORK

The program was launched with an innovative study that examined how different generations view retirement and other financial priorities. While the SOA had previously studied retirees and those nearing retirement, this was the first project focusing on the generations. The generations studied were Millennials, Gen Xers, Boomers and part of the Silent Generation. A major finding of the research was Millennials indicate substantial retirement concerns compared to other generations. Further, these concerns make Millennials more likely to feel overwhelmed by their financial situation. As part of the study, several targeted reports were produced focused on aspects of the overall findings.

The results can be found in these reports:

- Overall report of findings:
  - *Financial Perspectives on Aging and Retirement Across the Generations*
- Targeted reports on specific issues:
  - *Difficulty in Gaining Financial Security for Millennials*
  - *Financial Priorities, Behaviors and Influence on Retirement*
  - *Family Obligations Across Generations*
  - *Financial Risk Concerns and Management Across Generations*
  - *Financial Fragility Across the Generations*
  - *Relationship of Marital Status to Financial Priorities of Five Generations of Americans*

The study received considerable media attention with findings noted in *Forbes*, *Money* magazine, *USA Today* and *Barron's* among other outlets.

PROJECTS COMPLETED AS OF NOVEMBER 2019

- Public-attitude research
  - Generations survey—study of financial priorities across the generations
  - Asia retirement study—joint study with LIMRA
- Technical studies of retirement plans and related issues
  - Annuity Market Pricing Approaches
  - Contribution Analysis: Single Employer Plans
  - Contribution Analysis for Multiemployer Plans
  - Quantitative Evaluation Framework for Retirement Plans
  - Liability-Driven Investment: Benchmark Model
  - Patterns of Going Concern Discount Rates
  - Employer Withdrawal for Multiemployer Plans
  - Series of Key Financial Stats for Multiemployer Plans
  - Stress Metrics for Multiemployer Plans
  - U.S. Public Pension Plan Contribution Analysis
  - A Tale of Two Pension Plans: Measuring Pension Plan Risk from an Economic Capital Perspective
- Mortality and morbidity studies
  - Public/Private Pension Plan Mortality Studies—Mortality Improvement Scale MP-2018 and MP-2019
  - PBGC Retirement Plans Mortality Study
  - Long-Term Care Insurance Incidence Rates
- Resources on Consumer Education and Societal Issues
  - A Conversation on Cognitive Decline
  - Family Structure Essay Collection
  - Insights into Spending & Asset Management in Retirement
  - Highlighting Post-Retirement Risk Research—Report 5 (Age 85+)
  - Long-Term Care Decision Brief
  - Retirement Tools Guide
  - The Sightlines Project on Longevity
  - Retirement Income Analyses: Viability of the Spend Safely in Retirement Strategy
  - Update Actuaries Longevity Illustrator
- Fast Facts
  - A series of fact sheets providing a quick summary of past and current research. Fifteen were completed in the first year of the program and more are being written.

WHAT IS IN PROCESS

- Consumer education
    - Health Care Decision Brief Update
    - Life Planning—Risk Chart Update—this is the fourth edition of the risk chart.
    - Decision Guide for Late-in-Life Decisions—this is an entirely new project and we're doing this in partnership with Financial Finesse. It will probably not be completed until later in 2020.
- Essays and papers
    - Call for essays on products and tools—essay due date was mid-November 2019. The essays should be reviewed, prize winners selected, and the essay collection published by the middle of 2020.
    - Highlighting Post-Retirement Risk Research—Report 6 (family)—the content of this report has been completed, and it is in production.
- Research reports
    - Latin American Retirement Risk Study—this is a joint project with LIMRA. It is targeted for completion before year-end.
    - De-Risking Strategies of DB Pensions: Empirical Evidence from the U.S.—this is a project of the Retirement Section Research Group.
    - The CPP Take-Up Decision: Comprehensive, Evidence-based Guidance for Real Canadians.
    - Understanding the Impact of the Low-Interest-Rate Environment on the Retirement System in the United States.
    - Impact of Low-Interest-Rate Environment on Canadian Retirement System.
    - Communicating DB Risk to Plan Sponsors.
    - FinTech project—this project started in mid-2019.
    - LTC catastrophic insurance—this project started in the third quarter of 2019.
- Public-attitude research
    - 2019 Retirement Risks Survey (fieldwork completed and results presented on a preliminary basis at the 2019 Annual Meeting & Exhibit.)
    - Life Journey Research with adult children who have recently lost elderly parents (interviews have been completed and survey is coming in 2020).
    - Research to support development of SOA conversation guide—started in the fourth quarter of 2019. Research team is from the University of Minnesota and Stanford Center on Longevity, with support from Greenwald for consumer research.
- Experience studies
    - 2000–2011 LTC Lapse and Mortality Valuation Assumptions
    - 2000–2016 Long Term Care Report
    - 2011–2015 Deferred Annuity Mortality Study
    - 2005–2017 Structured Settlement Mortality Study

- Fixed Index Annuity Lapse and Guaranteed Living Benefit Utilization
- 2017 Variable Annuity Guaranteed Living Benefit Utilization Study

- Data-driven research
  - Public Plans Maturity Metrics and Asset Allocation
  - Pension Stats for Various Entities
  - Public Pension Funding Policy Review
  - Classification of Shared Risk Pension Plans
  - Economic Scenario Generator for Canadian Pension Design and Funding
  - Public Pension Contribution Analysis Update

NOTABLE REPORTS ON SOCIETAL ISSUES

There are many very interesting reports. For this article, projects linked to societal issues—some of what might be viewed as unexpected—are discussed. Research that examines issues affecting individuals in and near retirement provides resources of value to improve outcomes for society.

There will be reports on some of the projects from other areas of the program in future issues of this newsletter. All of the completed projects are available on the Society of Actuaries website. It is hoped that the reader will choose to learn about many more.

The consumer research focuses on how people understand and manage post-retirement risks. The SOA's public attitude research program started nearly 20 years ago. This has been the core repeated work of the CPRNR, and it has been the source of consistent, excellent press coverage for the SOA. The biennial risk survey is our major ongoing committee project. Preliminary results of the 10th survey were presented at the 2019 SOA Annual Meeting & Exhibit. Greenwald and Associates conducted the online survey in 2013, 2015, 2017 and 2019. The topics of emphasis in the 2019 survey are the process of retiring, retirement income and spending, retirement income and planning, employment concerns related to the period nearing and in retirement, the reality of retirement and family support linked to aging alone. These topics are a mix of new and repeated topics. Each survey has topics of interest. In addition to the risk surveys, focus groups have been conducted with recent retirees and those retired 15 years or more. A unique special study focused on people age 85 and over. The generations work extended the SOA consumer research to younger generations.

The age 85 and over research is particularly interesting. There is relatively little work that has been done at these ages. This work consisted of some in-depth interviews, a survey of individuals age 85 and over, a survey of adult children of individuals age 85 and over and a conversation on cognitive decline. We explored the types of help that people needed and were getting and where they were getting it from. We also explored how spending changed at the high ages. *Retirement Experiences of People Aged 85 and Over* provides a consolidated report of the findings of this work. This is one of a series of reports that combines the findings from a number of studies and consolidates them in single reports.

The SOA has worked with the Stanford Center on Longevity on a series of reports on lifetime income. This project is in response to the shift to defined contribution plans and the importance of more systematic approaches to the payout period. The most recent report in the series, the *Viability of the Spend Safely in Retirement Strategy* explores a baseline strategy to "pensionize" IRAs and defined contribution retirement plans to help older workers and retirees understand the amount of lifetime income they can expect in retirement. The reports in this series have explored issues related to employer-sponsored plans and the individual markets and have provided an analytical and quantitative approach to analyzing the trade-offs between a wide variety of strategies.

The SOA has completed a series of consumer education projects linked to some aspects of retirement and longevity. They include Managing Post-Retirement Risks (Risk Chart), 12 recently updated decision briefs, four retirement literacy issue briefs and a series of infographics focused on longevity. A new edition of Managing Post-Retirement Risks is coming soon.

TOPICS UNDER DEVELOPMENT FOR NEW PROJECTS

Four topics have been selected for potential projects. Each of these topics has a small group to help formulate the topic into a project. The small groups were recruited primarily from the CPRNR members and interested parties as well as the Aging and Retirement Program Steering Committee.

The topics are—

- Working in retirement and phased retirement
- Health and well-being
- Retirement income and adequacy
- Retirement fraud

At this time, it is too early to say what we will do for each topic. Each of these groups has been provided with information about a variety of different project formats that the SOA has used for different projects including surveys, focus groups, call for essays, consumer education, research report with research performed by a researcher, literature review, etc. They are not limited to these formats, but this provides information about possibilities. It is anticipated that the groups will decide what they want to do within the next six to nine months.

The Aging and Retirement Strategic Research Program brings together diverse research from several sources ...

ACCESSING, USING AND PRESENTING THE SOA RESEARCH

- All of the research is available on the Aging and Post Retirement section of the SOA website; this is open to the public.
- Fact sheets offer a quick look to see what is of interest. Fact sheets have been developed for quite a lot of the existing research and they are being developed for new projects on an ongoing basis.
- Fact sheets can be used for presentation handouts and with clients.
- Research is presented at various meetings, both of actuaries and of groups outside of the profession. Presentations of major research are available to be used (see the Other Resources section of the Post-Retirement Needs & Risk research page).

Several members of the steering committee and the researchers present the research in various meetings and webinars.

- The research is cited in the press and press releases are used selectively. Each project is reviewed to see what the appropriate type of publicity is for that project.
- Some articles are based on the research. These are generally written by volunteers.

For more information, look at the Aging and Post-Retirement section of the SOA website or contact Steve Siegel at *ssiegel@soa.org*.

CONCLUSION

The Aging and Retirement Strategic Research Program brings together diverse research from several sources designed to help improve the retirement system and support the needs of retirement actuaries and others concerned with retirement security in North America and around the world. It is an important time for retirement research as the system is evolving away from traditional defined benefit plans to much more use of defined contribution plans. This leads to current and future research needs to help actuaries supporting a variety of types of plans and to the users of these benefits. The SOA is proud to produce a variety of research studies and consumer information to meet these diverse needs. ■

Anna M. Rappaport, FSA, serves as chairperson of the Committee on Post-Retirement Needs and Risks and the Steering Committee for the Aging and Retirement Strategic Research Program. She can be contacted at *anna.rappaport@gmail.com*.

Interviews With Past Retirement Section Council Chairs

By Faisal Siddiqi and Mathieu Laurendeau

As part of the 100th Anniversary issue of *Retirement Section News* (formerly *Pension Section News*), Faisal Siddiqi and Mathieu Laurendeau interviewed some past chairs to share their experiences and go down memory lane a little bit.

FAISAL SIDDIQI (PAST CHAIR 2012–2013)

I interviewed Cindy Levering, Eric Keener, and Aaron Weindling who were chairs for the 12 months ending Nov. 1, 2009, 2011, and 2015, respectively. The following provides some of the highlights of their terms, activities they were involved with, and what they are doing now in 2020.

Cindy Levering (2008–2009)
Cindy Levering, ASA, MAAA, is retired. She can be contacted at *leveringcindy@comcast.net*.

In speaking with Cindy Levering, she mentioned that her biggest task was to continue to push Retirement 20/20 off the ground floor during 2009, an effort that continued into 2010 with a "call for models" contest. As many of you will remember, Retirement 20/20 was an initiative by the Society of Actuaries to bring new and innovative ideas to retirement plan design. A number of papers were submitted by many authors, with four winning articles selected as showcased in the 2012 Pension Forum: *https://www.soa.org/globalassets/assets/library/newsletters/the-pension-forum/2012/pfn-2012-vol19-iss1.pdf*

The following provides some important background on Retirement 20/20 from the 2012 Pension Forum:

> In 2010, the SOA's Retirement 20/20 initiative focused on a call for models "contest." The call for models asked individuals to submit their ideas for new "Tier II" retirement systems—i.e., what is typically thought of as employer-provided retirement benefits that fit between social insurance and private savings. The call for models was the culmination of the Retirement 20/20 work to date, including three conferences that explored needs and risks for stakeholders in the retirement system (individuals, society, employers and the markets). Submissions were judged based on how well they met the criteria of the Retirement 20/20 Measurement Framework (which considers needs and risks for the various stakeholders) and how well they handled issues of risk, governance, administration, transparency and transition. The Pension Section Council's stated goal was to find several papers—not just one—with very different, but equally worthy, ways of rethinking the retirement system.
>
> As a result of the call for models, the SOA received 18 paper submissions from Canadian and American authors. Four papers were selected as winners:
>
> - "The SERIOUS System: A New Model for Retirement Income Success," by Ken Beckman, ASA
> - "The Tracker Plan: A Controlled Risk Defined Contribution Retirement Program," by Rowland M. Davis, FSA
> - "Affordable Retirement Income through Savings and Annuities," by Donald E. Fuerst, FSA, and
> - "The Total Career Benchmark Model," by Thomas J. Walker, FSA, FCIA

Cindy discussed having her first council meeting in Chicago just after the kick-off of the Retirement 20/20 initiative and how over the past 10 years it has moved to be managed by the American Academy of Actuaries (Academy) through the Retirement System Assessment and Policy Committee (formerly Retirement for the AGES) initiative. Currently, Cindy is still doing work with the Academy, conducting plan assessments for existing and proposed private and public sector plans and seeing how they meet the criteria for an effective retirement system. She indicated that her work has involved plans in the State of Maine and the State of South Dakota. In Canada, the group assessed the New Brunswick Shared-Risk pension plan concept. In some cases, sponsors have made changes to their plans in response to the results of these assessments.

Cindy has been retired from Aon Consulting for 10 years but is still busy working on many initiatives with the SOA through the SOA Aging and Retirement Committee, Committee on Post-Retirement Needs and Risks, the Retirement Section Research Committee and the Research Executive Committee as well as on her own with the Board of Pensions of the Presbyterian Church. In 2018, she also completed a three-year term on the Department of Labor's ERISA Advisory Council.

Eric Keener (2010–2011)
Eric Keener, FSA, EA, FCA, MAAA, is senior partner and chief actuary at Aon. He can be contacted at *eric.keener@aon.com*.

In speaking with Eric, he mentioned the biggest issue his council had to deal with was the aftermath of the 2008–2009 Global Financial Crisis. Given the timing of actuarial valuations for U.S. qualified pension plans, many plan sponsors were faced with very large contribution increases in 2010–2011 amidst broader economic uncertainty and sovereign debt issues. This was a very challenging set of circumstances for many retirement plan stakeholders. A lot of issues needed to be addressed, and quickly.

Eric mentioned how he worked with Andy Peterson (past SOA staff fellow—Retirement), Joseph Silvestri (past SOA Retirement research actuary), and other SOA staff and volunteers, as the SOA established its Rapid Retirement Research Initiative. This initiative was established in part to model macro-level U.S. pension issues (e.g., funded status, contribution requirements) to help policy makers make more informed decisions using current data. Joseph worked with the PBGC PIMS system to model aggregate contribution requirements for the U.S. defined benefit system and quantify the "wall of contributions" that was on the horizon and how various legislative proposals might affect it. Appropriately, the movie *The Perfect Storm* was a common analogy used during those years. The Rapid Retirement Research Initiative has since evolved into the Data Driven Research Initiative, and today it regularly publishes research on a broader array of retirement issues.

Eric also mentioned many other initiatives:

1. His work on the Retirement 20/20 initiative where he was involved in the "call for models" contest mentioned above and discussions about extending the Retirement 20/20 concepts from the private sector to the public sector. Interestingly, both Cindy and Eric are still currently involved in this issue as members of the Academy's Retirement System Assessment and Policy Committee.

2. He furthered the initiative from the then Pension Section to reach out to the International and Investment Sections to see where work could be done in tandem.

3. The council was involved in an advisory capacity with the SOA RP-2014 mortality tables analysis.

In terms of the future work in the pension/retirement field, Eric sees more innovation in the DB/DC space with more risk-sharing pension designs, including in the public sector space, consistent with Retirement 20/20 principles. In addition, there are many more opportunities for retirement education and research.

Eric continues to work at Aon and is their US Chief Actuary. He happily remembers his time on the SOA Pension Section Council and says he found it helped him engage more in broader retirement policy issues, give back to the profession, and appreciate other perspectives. I'm sure many of the prior and subsequent chairs would share Eric's sentiments.

Aaron Weindling (2014–2015)
Aaron Weindling, FSA, EA, FCA, MAAA, is senior consulting actuary and North American modeling & analytics leader at Willis Towers Watson. He can be contacted at *aaron.weindling@willistowerswatson.com*.

In speaking with Aaron, he mentioned that he didn't see any real trend initially but it sort of sneaked up on him. His tenure came during what was, in hindsight, an important time of transition. The traditional work of pension actuaries was giving way to an increasing emphasis on retirement financial wellness. He also noted that certain members of his council, like Carol Bogosian, had made significant efforts to raise awareness of the risks faced by individuals in the retirement space. As a result, the efforts of his council shifted to recognize the broader retirement landscape (DB plans shifting to DC plans, individual retirement planning issues and retirement readiness). The subsequent change of the section name from "Pension" to "Retirement" can be viewed as another step along this same path. Aaron stated that although he was late to accept the inevitability of this transition, he trusted his council to advance the projects that they collectively identified would be most valuable to section members.

Though Aaron is humble, he did help set up his subsequent chairs for success in each of the areas he initially worked on. Aaron is currently with Willis Towers Watson in Philadelphia, where he is Director, Modeling and Analytics for Retirement North America and is a member of the SOA's Pension Projections FSA Module Exam team.

MATHIEU LAURENDEAU (COMMUNICATIONS TEAM CHAIR 2020)

I interviewed Grace Lattyak, Randy Dziubek, and Deb Tully who were chairs for the 12 months ending Nov. 1, 2017, 2018, and 2019, respectively. I have been a member of the communications team during their tenures as Retirement Section Council chairperson, serving on the Retirement Section Council since Nov. 1, 2017.

Grace Lattyak (2016–2017)
Grace Lattyak, FSA, EA, FCA, MAAA, is a partner at Aon. She can be contacted at *grace.lattyak@aon.com*.

During your time on the section council, what were some of the most important challenges you faced, especially as chair?

The SOA has a lot of really great research, but we didn't feel that everyone was aware of it. The challenge we talked a lot about was publicizing and drawing attention to the research. Just as the work retirement actuaries do day to day has evolved, so has the way we consume information.

How did you and the section council address these challenges (research, webcasts, sessions at the SOA Annual Meeting & Exhibit, communication pieces, POGs, outreach campaigns, etc.)?

We experimented with podcasts, we asked if section members wanted electronic or printed versions of the newsletter, we tried posting on LinkedIn, etc. Some of these were successful endeavors and others, not so much, but we realized that different people want to consume information in different ways so there is not one right approach. I hope that in trying out different approaches, even if they didn't stick, we helped to give at least a few more people awareness of the work the SOA is doing.

At an individual level and at a macro level, how did you feel the section council and the SOA in general help retirement actuaries or the retirement system during your tenure?

During my tenure, the Section Council changed the name of the section from the Pension Section to the Retirement Section. While a fairly simple change, I think it was important to have a shift in mindset to encompass what is a reality for many of us—that being a retirement actuary can be challenging.

How did volunteering for the SOA help you? Any words of encouragement to others to volunteer?

Volunteering allowed me to get a much better understanding of the breadth of work that retirement actuaries do, get to know actuaries working in different disciplines, hone my leadership and podcasting skills, and make new friends. When I first started volunteering I did have a bit of "imposter syndrome" but learned quickly that I have skills and knowledge to bring to the table that are complementary to what others bring to the table. For those who are thinking of volunteering, but not sure—go for it!

With respect to the future and SOA involvement, what do you see in the future of the retirement system currently (in the U.S., Canada, or other places). How could the section or SOA further these retirement systems?

All I know is that in 10 years I won't be doing the same thing I am doing today as a retirement actuary and, for me, it is exciting to be living the evolution of the retirement system in the United States. There are big challenges ahead that retirement actuaries will help individuals, companies, and governments solve. I hope the SOA will continue to invest in research and education of actuaries to effectively respond to those challenges and, circling back to the first question, continue to evolve the way that research is communicated (P.S. I love podcasts!).

Randall Dziubek (2017–2018)
Randall Dziubek, ASA, EA, MAAA, is deputy chief actuary—Valuation Services at California Public Employees' Retirement System. He can be contacted at *randall.dziubek@calpers.ca.gov*.

During your time on the section council, what were some of the most important challenges you faced, especially as chair?

At the time I joined the council there were no other council members who practiced predominantly in the public sector. Consequently, the efforts of the council were generally focused more toward private sector retirement plans. Having practiced in both areas, I understood the significant differences between the issues and concerns of private plan sponsors versus public plan sponsors, and the need for additional SOA support for public plan actuaries. In addition, there was considerable debate within the profession regarding the extent to which financial economics principles were applicable to the funding and financial reporting of public sector retirement plans. Lastly, the profession was and still is confronting the decline of traditional defined benefit plans in the private sector and re-examining the role retirement actuaries can play in this new environment.

How did you and the section council address these challenges (research, webcasts, sessions at the SOA Annual Meeting & Exhibit, communication pieces, POGs, outreach campaigns, etc.)?

The council was very receptive to increasing focus on public sector retirement issues. We launched a Retirement 20/20 Call for Models that solicited papers on innovative concepts regarding public sector retirement plans. The winning entries provided multiple concepts and real-world ideas that could be used to improve the sustainability of public plans around the country. In addition, we created a podcast with each winning author and provided sessions at the SOA Annual Meeting & Exhibit with some of the authors to discuss their ideas.

The name of the section was updated from Pension Section to Retirement Section in order to clearly imply that work in the DC area would be an increasing priority. In fact, the section created a subgroup to focus purely on defined-contribution-related issues.

At an individual level and at a macro level, how did you feel the section council and the SOA in general helped retirement actuaries or the retirement system during your tenure?

As stated previously, I believe the efforts and ideas of the authors of the winning papers in the Retirement 20/20 Call for Models provided valuable insight into beneficial techniques and plan design features for public sector DB plans. In some cases, these techniques and plan features had already been in use so that results could be measured and observed.

Also, while I can take no credit whatsoever for the work of Anna Rappaport, her contributions to the understanding of retirement needs and risks are tremendous. For those that have not read Anna's many insightful pieces, I strongly suggest you look for them.

How did volunteering for the SOA help you? Any words of encouragement to others to volunteer?

I found my volunteer experience to be very rewarding. Prior to joining the council I was not as active in activities that furthered the development of the profession as I should have been. I came to realize during my time on the council the importance of these activities. I believe a measure of success in any profession is the extent to which you shared your knowledge and experiences with others.

In addition, the relationships formed and the contacts acquired have been invaluable since leaving my position as chair. My advice to those considering some type of volunteer position is that regardless of what your schedule allows you to accomplish in this role, you will contribute to the success of the profession, you will remember your volunteering experiences fondly, and you will feel a sense of pride that you made this important effort.

With respect to the future and SOA involvement, what do you see in the future of the retirement system currently (in the U.S., Canada, or other places). How could the section or SOA further these retirement systems?

As far as retirement programs for the private sector, it seems defined contribution plans will continue to dominate over defined benefit plans. In the public sector there continues to be pressure to consider DC plans—at least for new hires. Some government plans have made the switch to DC plans with varying levels of success. However, I am hopeful that practitioners in the public sector will continue to develop creative plan designs and improve funding discipline for DB plans, enabling sponsors to retain these plans going forward. I think risk sharing plans and hybrid plans will continue to become more prevalent. While the SOA and the Retirement Section must devote considerable efforts toward defined contribution plan issues, I hope as a profession we understand the value of DB plans, at least in the public sector, and continue to devote training and research efforts in that area as well.

Deborah Tully (2018–2019)
Deb Tully, FSA, is a senior director at Willis Towers Watson. She can be contacted at *deb.tully@willistowerswatson.com*.

During your time on the section council, what were some of the most important challenges you faced, especially as chair?

During my tenure as chair, the Retirement Section Council embarked on an initiative to help develop tools and resources for retirement actuaries operating in a predominantly defined contribution world. Our efforts to date serve as a starting point for this long-term initiative that will help support retirement actuaries as the industry landscape evolves.

How did you and the section council address these challenges (research, webcasts, sessions at the SOA Annual Meeting & Exhibit, communication pieces, POGs, outreach campaigns, etc.)?

For the defined contribution initiative, we established an active and engaged project oversight group focused on identifying training, research and communications strategies to elevate the actuary's role in a defined contribution world. The group, as well as other thought leaders in the retirement industry, gathered for an all-day face-to-face meeting at the Society of Actuaries headquarters in September 2019 to brainstorm and identify key focus areas to realize meaningful results for retirement actuaries in this area. This meeting has positioned the group to identify key action steps to make measurable progress with this initiative in the future.

At an individual level and at a macro level, how did you feel the section council and the SOA in general help retirement actuaries or the retirement system during your tenure?

Over my three years on the Retirement Section Council, including my year as chair, I continued to be impressed with the Society of Actuaries and the council's interest in and focus on providing valuable resources to actuaries to aid in their professional development and their overall job responsibilities no matter whether they are practicing in a small or large firm, focused on public or private plans, or currently employed, retired or in job transition.

How did volunteering for the SOA help you? Any words of encouragement to others to volunteer?

I have said time and time again, I am certain that I have gotten far more than I have been able to give by volunteering for the SOA and other actuarial organizations. Volunteering allows you to contribute to the profession in a meaningful way, enhances your own professional experience and provides the opportunity to meet some truly amazing people. I encourage every actuary to find a way to volunteer—start out small and see where it takes you. I guarantee it will change you professionally and you never know where it will take you.

With respect to the future and SOA involvement, what do you see in the future of the retirement system currently (in the U.S., Canada, or other places). How could the section or SOA further these retirement systems?

From my involvement in the Retirement Section Council, I am truly hopeful and excited about the opportunities that will develop for actuaries in the retirement industry. The industry will not look like it has in the past but with that comes new opportunities and creative solutions to be offered that actuaries can play a significant role in developing and implementing. With its focus on research and education, the SOA and the Retirement Section is well positioned to play a significant role in preparing retirement actuaries for their future roles. ■

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