



Article from

Retirement Section News

February 2018

Issue 94

Chairperson's Corner

By Randall Dziubek

I'm honored to serve as the chairperson of the Retirement (formerly Pension) Section Council for the 2017–2018 year. Over my two previous years serving on the council I've had the privilege of working with some of the best our profession has to offer—dedicated and brilliant professionals with a commitment to giving back to the profession and contributing to the retirement security of millions.

I'd like to thank our outgoing elected members, Judy Ocaya, Dave Cantor, and Chairperson Grace Lattyak. I've learned a lot from all of you, and your contributions to the council were numerous. Also, special thanks to Drew Luchies who chaired the council's continuing education efforts. Drew will be stepping down and turning over the reins to Brett Dutton this year.

During the upcoming year, the council and I will continue to focus on supporting a broad range of research and educational activities in the retirement and closely associated areas. We will also look for new and creative ways to benefit the profession and



increase the interest and involvement of our members at large. For example, the council has been discussing the possibility of creating one or more subgroups within the Retirement Section. This has been done with success in the SOA Health Section. A strong candidate for such a subgroup within the Retirement Section might be defined contribution plans. The subgroup would solicit volunteer pension actuaries and arrange regular conference call meetings. Activities of the group could result in webcasts, papers and other activities aimed at contributing to the knowledge base of the group's topic. It would help the council to know if many of our members would be interested in participating in such a group. If you are interested, please send an email to my address provided at the end of this article, as well as any suggestions for other specific subgroups.

Other specific projects/areas that we have been working on include:

- longevity pooling
- optimizing retirement income
- quantitative evaluations of DB, DC and hybrid plans
- retirement benefit adequacy
- communicating risk in retirement plans

Keep an eye open for various outcomes of these projects, including tools, papers and articles.

Over the past 15 years of my career I have worked exclusively with public sector retirement systems. Twelve of these years were as a consulting actuary at Gabriel Roeder Smith & Company, and the last three have been with the California Public Employees' Retirement System (CALPERS). I will admit to experiencing a little culture shock upon first entering this strange new world of public pensions. While at first I may occasionally have questioned the rules of the game (or lack thereof), I rarely had reason to doubt the commitment or integrity of the public-sector actuaries with whom I collaborated. They genuinely operate from a deep concern regarding the interests of plan members and taxpayers.

While there has been some controversy within our profession regarding aspects of how public pension plans are governed and financed, I have been encouraged and pleased with the SOA's diligence in providing thoughtful and research-based perspectives on the issues as well as a platform for actuaries to express alternate opinions and potential solutions. The most recent *Pension Forum* from January 2017 is a great example of this.

Which brings me to a project of the council's that I am very excited about.

In August of 2017, a Call for Models for Public Pension Plans was issued by the Pension Section. This activity is a follow-up

to the very successful, thought- and idea-provoking *Retirement 20/20* initiative created by the SOA in the early to mid-2000s.

As we all know, many state and local governments and other public entities continue to provide defined benefit pension plans. As these plans continue to mature, challenges are growing related to ensuring the security and stability of the plans, while keeping costs affordable. While the detractors of public sector DB plans have generally been quick to point out what they believe to be the problems, proposed solutions that appear feasible and would improve members' retirement security while providing value for taxpayers were rarely if ever put forth by the critics. So we thought it was time to ask interested parties—both supporters and detractors alike—to submit their best ideas for improvements.

To date, we have received over a dozen statements of intent from a variety of professionals. Qualifying entrants will have until Jan. 31, 2018, to provide detailed models, which will be evaluated, challenged and accordingly strengthened, and from which the

best ideas will be selected for dissemination through the SOA and other media sources.

We are very excited by the number and quality of the entries so far, and are looking forward to seeing the detailed models, which will be studied, vetted and enriched by a diverse, multi-disciplinary panel of experienced practitioners.

We hope you will stay tuned for the results of the evaluation process and be sure to look for the winning entries, which we anticipate will have some great ideas from which we can all benefit. ■



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