

# Retirement – Design and Accounting, US Exam

Spring/Fall 2018

## Important Exam Information:

### [Exam Registration](#)

Candidates may register online or with an application.

### [Order Study Notes](#)

Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store.

### [Introductory Study Note](#)

The Introductory Study Note has a complete listing of all study notes as well as errata and other important information.

### [Case Study](#)

A copy of the case study will be provided with the examinations. Candidates will not be allowed to bring their copy of the case study into the examination room.

### [Past Exams](#)

Past Exams from 2000 - present are available on the SOA website.

### [Updates](#)

Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices.

*Canadian version of this exam is recognized by the Canadian Institute of Actuaries.*

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

**1. Topic: Benefit Plan Structure and Features**

**Learning Objectives**

The candidate will be able to analyze different types of registered/qualified retirement plans and retiree health plans.

**Learning Outcomes**

The Candidate will be able to:

Describe the structure of the following plans:

- a) Traditional defined benefit plans
- b) Defined contribution and savings plans
- c) Hybrid plans
- d) Retiree health plans
- e) Other alternative retirement plans

Given a plan type, explain the relevance, risks and range of plan features including the following:

- a) Plan eligibility requirements
- b) Benefit eligibility requirements, accrual, vesting
- c) Benefit / contribution formula, including the methods of integration with government-provided benefits
- d) Payment options and associated adjustments to the amount of benefit
- e) Ancillary benefits
- f) Benefit subsidies and their value, vested or non-vested
- g) Participant investment options
- h) Required and optional employee contributions
- i) Phased retirement and DROP plans

**Resources**

- *Retirement Plans - 401(k)s, IRAs and Other Deferred Compensation Approaches*, Allen et al., 11<sup>th</sup> Edition, 2014
  - Ch. 2, 3, 6-13, 17, 21, 29, 31 (pp. 593-606)
- *Fundamentals of Private Pensions*, McGill et al., 9<sup>th</sup> Edition, 2010
  - Ch. 5, 9, 10 & 12
- *Morneau Shepell Handbook of Canadian Pension and Benefit Plans*, Shepell, Morneau, Whiston, Bethune and Clooney, J. Gregory, 16<sup>th</sup> Edition, 2016
  - Ch. 1, 3, 6, 16 (background only) & 30

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

- *Fundamentals of Retiree Group Benefits*, Yamamoto, Dale H., 2<sup>nd</sup> Edition, 2015
  - Ch. 1, 2 (pp. 20-25), 4 (excluding pp. 89-110) & 5 (p. 168 only)
- DA-100-13: Issues for Implementing Phased Retirement in Defined Benefit Plans
- DA-101-13: Legal and Research Summary Sheet: Phased Retirement
- DA-102-13: Evaluating the Design of Private Pension Plans: Costs and Benefits of Risk Sharing
- DA-103-13: Risk Allocation in Retirement Plans: A Better Solution
- DA-104-13: Deferred Retirement Option Plans (“DROP” Plans)
- DA-105-13: Measuring Terminable Postretirement Obligations
- DA-107-13: Green DB: Eliminate Wasteful Practices and Make Your DB Plan Sustainable
- DA-110-13: Integration With Social Security
- DA-112-13: Converting Pension Plans From a DB to a DC design – Issues to Consider in Canada, pp. 1–6
- DA-159-16: The OECD Roadmap for the Good Design of Defined Contribution Pension Plans
- DA-164-17: Defined Contribution Plan Success Factors
- DA-165-17: Phased Retirement – An Important Part of the Evolving Retirement Scene
- DA-812-15: State and Local Pension Costs: Pre-Crisis, Post-Crisis and Post-Reform
- DA-815-17: Strategic Moves: The Exchange Option for Retirees
- DA-820-18: Multi-Employer Plans
- [CIA Report of the Task Force on Target Benefit Plans](#)
- [New Retirement Plan Designs for the 21st Century, Pension Forum, December 2008](#), pp. 41-56 (including commentary and responses)
- [Embedded Options in Pension Plans: Valuation of Guarantees in Cash Balance Plans](#), sections 1, 2, 3, 4, 6, 7, 8, 9, 10, 11 & Appendix II
- [The Next Evolution in Defined Contribution Retirement Plan Design: A Guide for DC Plan Sponsors to Implementing Retirement Income Programs](#)
- [Analysis of Target Benefit Plan Design Options](#), pp.12-16

<b>2. Topic: Benefit Plan Regulations Applicable to Plan Design</b>
<b>Learning Objectives</b>
The candidate will understand the impact of the regulatory environment on plan design.
<b>Learning Outcomes</b>
The Candidate will be able to: <ul style="list-style-type: none"><li>a) Explain and apply restrictions on plan design features to a proposed plan design</li><li>b) Explain and test for limits on plan designs and features that protect participant rights</li><li>c) Test for plan design restrictions intended to control the use of tax incentives</li><li>d) Describe the process and apply the principles and rules governing the conversion from one type of plan to another</li><li>e) Understand conflicts between regulation and design objectives and recommend alternatives</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• <i>Retirement Plans - 401(k)s, IRAs and Other Deferred Compensation Approaches</i>, Allen et al., 11<sup>th</sup> Edition, 2014<ul style="list-style-type: none"><li>○ Ch. 3, 6 -10, 12-14, 17, 21 &amp; 31 (pp. 593-606)</li></ul></li><li>• <i>Fundamentals of Private Pensions</i>, McGill et al., 9<sup>th</sup> Edition, 2010<ul style="list-style-type: none"><li>○ Ch. 12</li></ul></li><li>• DA-132-13: Turner, Pension Policy: The Search for Better Solutions, 2009, Ch. 5</li><li>• DA-158-15: New Brunswick's New Shared Risk Pension Plan</li><li>• DA-160-18: OECD Pensions outlook 2016 (Highlights)</li><li>• <a href="#">CIA Report of the Task Force on Target Benefit Plans</a></li></ul>

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

<b>3. Topic: Participant Risks</b>
<b>Learning Objectives</b>
The candidate will be able to analyze the risks faced by retirees and the participants of retirement plans and retiree health plans.
<b>Learning Outcomes</b>
The Candidate will be able to: <ul style="list-style-type: none"><li>a) Identify risks faced by retirees and the elderly</li><li>b) Describe and contrast the risks faced by participants of<ul style="list-style-type: none"><li>i. Government sponsored retirement plans</li><li>ii. Single employer sponsored retirement plans</li><li>iii. Multiemployer retirement plans, and</li><li>iv. Social insurance plans</li></ul></li><li>c) Evaluate benefit adequacy and measure replacement income for members of a particular plan given other sources of retirement income.</li><li>d) Propose ways in which retirement plan and retiree health plan design can manage the range of risks faced by plan participants and retirees.</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• <i>Retirement Plans - 401(k)s, IRAs and Other Deferred Compensation Approaches</i>, Allen et al., 11<sup>th</sup> Edition, 2014<ul style="list-style-type: none"><li>○ Ch. 11, 14, 17, 21 &amp; 31 (pp. 593-606)</li></ul></li><li>• <i>Fundamentals of Private Pensions</i>, McGill et al., 9<sup>th</sup> Edition, 2010<ul style="list-style-type: none"><li>○ Ch. 5, 9 &amp; 12</li></ul></li><li>• DA-102-13: OECD paper, Evaluating the Design of Private Pension Plans: Costs and Benefits of Risk Sharing</li><li>• DA-103-13: Risk Allocation in Retirement Plans: A Better Solution</li><li>• DA-114-13: Risk Management and Public Plan Retirement Systems - Appendices only (pp. 1-33 background only)</li><li>• DA-115-13: Private Pensions: Alternative Approaches Could Address Retirement Risks Faced by Workers but Pose Tradeoffs, pp.1-35, GAO</li><li>• DA-123-13: Replacement Ratio Study – A Measurement Tool for Retirement Planning</li><li>• DA-161-16: Pension Issues in Mergers and Acquisitions</li><li>• DA-166-17: Shifting Public Sector DB Plans to DC, pp. 1-22</li><li>• DA-172-18: The Promise of Defined Ambition Plans: Lessons for the United States</li></ul>

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

- DA-173-18: How Accurately does 70% Final Employment Earnings Replacement Measure Retirement Income (In)Adequacy? Introducing the Living Standards Replacement Rate (LSRR) – sections 3.1, 3.2, 3.4, 4 & 5 (other sections and Appendices background only)
- DA-174-18: An Improved Application of the Variable Annuity
- DA-817-18: Savings Medicare Beneficiaries Need for Health Expenses
- [CIA Report of the Task Force on Target Benefit Plans](#)
- [CIA Ed Note: Financial Risks Inherent in Multi-Employer Pension Plans and Target Benefit Pension Plans, CIA TF on MEPP/TBPP Funding](#), May 2011
- [2015 Risks and Process of Retirement Survey – Key Findings and Issues](#)
- [The Next Evolution in Defined Contribution Retirement Plan Design: A Guide for DC Plan Sponsors to Implementing Retirement Income Programs](#)
- [Hybrid Pensions: Risk Sharing Arrangements for Pension Plan Sponsors and Participants](#)
- [Managing Post-Retirement Risks, A Guide to Retirement Planning](#)
- [Pension Risk Transfer: Evaluating Impact and Barriers for De-Risking Strategies](#), pp. 16, 17 & 20-27

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

**4. Topic: Sponsor Risks**

**Learning Objectives**

The candidate will be able to evaluate plan design risks faced by sponsors of retirement plans and retiree health plans.

**Learning Outcomes**

The Candidate will be able to:

- a) Identify how plan features, temporary or permanent, can adversely affect the plan sponsor.
- b) Assess the risk from options offered, including:
  - i. Phased retirement
  - ii. Postponed retirement
  - iii. Early retirement
  - iv. Option factors
  - v. Embedded Options
  - vi. Portability Options
- c) Recommend ways to mitigate the risks identified with a particular plan feature.
- d) Analyze the issues related to plan provisions that cannot be removed.
- e) In a given context, assess the effect that changes in plan design might have on collective bargaining agreements.
- f) Assess the impact of possible changes in plan design due to changes in legislation.

**Resources**

- DA-100-13: Issues for Implementing Phased Retirement in Defined Benefit Plans
- DA-101-13: Legal and Research Summary Sheet: Phased Retirement
- DA-102-13: Evaluating the Design of Private Pension Plans: Costs and Benefits of Risk Sharing
- DA-103-13: Risk Allocation in Retirement Plans: A Better Solution
- DA-104-13: Deferred Retirement Option Plans (“DROP” Plans)
- DA-114-13: Risk Management and Public Plan Retirement Systems, Appendix only (pp. 1-33 background only)
- DA-127-13: The Economics of State and Local Pensions
- DA-154-15: Implementing Early Retirement Incentive Programs: A Step-by-Step Guide
- DA-166-17: Shifting Public Sector DB Plans to DC, pp. 1-22
- [CIA Report of the Task Force on Target Benefit Plans](#)
- [New Retirement Plan Designs for the 21st Century, Pension Forum, December 2008](#), pp. 41-56 (including commentary and responses)

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

- [Embedded Options in Pension Plans: Valuation of Guarantees in Cash Balance Plans](#), sections 1, 2, 3, 4, 6, 7, 8, 9, 10, 11 & Appendix II
- [Embedded Options and Pension Plans, SOA Pension Section](#), pp.1-17
- [The Next Evolution in Defined Contribution Retirement Plan Design: A Guide for DC Plan Sponsors to Implementing Retirement Income Programs](#)
- [Hybrid Pensions: Risk Sharing Arrangements for Pension Plan Sponsors and Participants](#)



## 5. Topic: Sponsor's Goals and Benefit Plan Design

### Learning Objectives

The candidate will be able to evaluate sponsor's goals for the retirement plan, evaluate alternative plan types and features, and recommend a plan design appropriate for the sponsor's goals.

### Learning Outcomes

Given a context, the Candidate will be able to:

- a) Describe ways to identify and prioritize the sponsor's goals related to the design of the retirement plan.
- b) Assess the tradeoffs between different goals.
- c) Assess the feasibility of achieving the sponsor's goals for their retirement plan.
- d) State relationships or recognize contradictions between a sponsor's plan design goals and the retirement risks faced by retirees.
- e) Identify the ways that regulation impacts the sponsor's plan design goals.
- f) Design retirement programs that manage retirement risk and are consistent with sponsor objectives.
- g) Design retirement programs that promote employee behavior consistent with sponsor objectives.
- h) Evaluate the pros and cons from both a sponsor and employee perspective of introducing options that impact the labor force demographics.
- i) Recommend a method to integrate government-provided benefits with retirement plan designs in order to meet the plan sponsor's particular goals and defend the recommendation.
- j) Advise a plan sponsor regarding the choice of design elements for their retiree health program.
- k) Evaluate and incorporate, as appropriate, different social insurance and employer sponsored plan types and features that occur internationally in providing recommendations.
- l) Give examples of plans that are appropriate for multinational companies and their employees including third country nationals and expatriates.
- m) Recommend an appropriate plan type and plan design features for providing retirement benefits and defend the recommendations.

### Resources

- *Retirement Plans - 401(k)s, IRAs and Other Deferred Compensation Approaches*, Allen et al., 11<sup>th</sup> Edition, 2014
  - Ch. 2, 3 & 29
- *Fundamentals of Private Pensions*, McGill et al., 9<sup>th</sup> Edition, 2010
  - Ch. 5
- *Fundamentals of Retiree Group Benefits*, Yamamoto, Dale H., 2<sup>nd</sup> Edition, 2015
  - Ch. 1 & 4 (excluding pp. 89-110)

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

- DA-100-13: Issues for Implementing Phased Retirement in Defined Benefit Plans
- DA-101-13: Legal and Research Summary Sheet: Phased Retirement
- DA-102-13: Evaluating the Design of Private Pension Plans: Costs and Benefits of Risk Sharing
- DA-103-13: Risk Allocation in Retirement Plans: A Better Solution
- DA-104-13: Deferred Retirement Option Plans (“DROP” Plans)
- DA-105-13: Measuring Terminable Postretirement Obligations
- DA-107-13: Green DB Eliminate Wasteful Practices and Make Your DB Plan Sustainable
- DA-125-13: Should Variable Pay Count Towards Benefits Calculations?
- DA-130-13: International (offshore) Pension Plans - A Growing Trend
- DA-132-13: Turner, Pension Policy: The Search for Better Solutions, 2009, Ch. 1 (pp. 4-11) and Ch. 5
- DA-133-13: Chapter 34 of *The Handbook of Employee Benefits: Health and Group Benefits*
- DA-164-17: Defined Contribution Plan Success Factors
- DA-165-17: Phased Retirement – An Important Part of the Evolving Retirement Scene
- DA-166-17: Shifting Public Sector DB Plans to DC, pp. 1-22
- DA-172-18: The Promise of Defined Ambition Plans: Lessons for the United States
- DA-174-18: An Improved Application of the Variable Annuity
- DA-813-16: Freezing Defined Benefit Plans
- [New Retirement Plan Designs for the 21st Century, Pension Forum, December 2008](#), pp. 41-56 (including commentary and responses)
- [Behavioral Finance and the Decision-Making Process for Defined Benefit Plan Sponsors, Pension Section News](#), February 2016

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

<b>6. Topic: Executive Plan Design</b>
<b>Learning Objectives</b>
The candidate will be able to analyze, synthesize and evaluate plans designed for executives or the highly paid.
<b>Learning Outcomes</b>
The Candidate will be able to: <ul style="list-style-type: none"><li>a) Given a specific context, synthesize, evaluate and apply principles and features of executive deferred compensation retirement plans.</li><li>b) Given a specific context, apply principles and features of supplemental retirement plans.</li><li>c) Integrate a plan for executives with the basic benefit plan.</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• <i>Retirement Plans - 401(k)s, IRAs and Other Deferred Compensation Approaches</i>, Allen et al., 11<sup>th</sup> Edition, 2014<ul style="list-style-type: none"><li>○ Ch. 14</li></ul></li><li>• DA-135-13: Towers Perrin, The Handbook of Executive Benefits, Chapter 15 (Golden Parachutes) pp. 238-244 only</li><li>• DA-156-15: Moving from a DB Executive Retirement Plan to a DC Executive Retirement Plan, October 2014 (parts 1, 2, &amp; 4)</li><li>• DA-802-13: Internal Revenue Code 409A and Non-Qualified Plan Design Consideration</li><li>• DA-803-13: Evaluating Financing Options for Nonqualified Benefit Plans</li></ul>

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

<b>7. Topic: Actuarial Assumptions</b>
<b>Learning Objectives</b>
The candidate will be able to analyze/synthesize the factors that go into selection of actuarial assumptions.
<b>Learning Outcomes</b>
Given a context, the Candidate will be able to: <ul style="list-style-type: none"><li>a) Evaluate appropriateness of current assumptions.</li><li>b) Describe and explain the different perspectives on the selection of assumptions.</li><li>c) Describe and apply the techniques used in the development of economic assumptions.</li><li>d) Recommend appropriate assumptions for a particular type of valuation and defend the selection.</li><li>e) Select demographic and economic assumptions appropriate for a projection valuation.</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto, Dale H., 2<sup>nd</sup> Edition, 2015<ul style="list-style-type: none"><li>○ Ch. 9 (pp. 308-339 and pp. 350-357)</li></ul></li><li>• DA-136-17: Selection of Actuarial Assumptions, Consultant Resource Manual, SOA Version, Mercer, pp. 5-69</li><li>• DA-137-13: Pension Projections</li><li>• DA-138-13: Discounting State and Local Pension Liabilities</li><li>• DA-139-15: ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations</li><li>• DA-140-15: ASOP 27 Selection of Economic Assumptions for Measuring Pension Obligations</li><li>• DA-162-16: Selecting and Documenting Mortality Assumptions for Pensions including Appendix 2 (Appendix 1 for background only)</li><li>• DA-167-17: ASOP 25: Credibility Procedures</li><li>• DA-171-17: AAA Exposure Draft: Selecting Investment Return Assumptions based on Anticipated Future Experience</li><li>• DA-175-18: Alternatives for Pension Cost Recognition – Implementation Approaches Using Bond Models</li><li>• DA-176-18: Expected Return</li><li>• DA-177-18: Fixed Income Methodology Overview</li><li>• DA-178-18: Equity Methodology Overview</li><li>• DA-818-18: Financial Reporting Considerations Related to Pension and other Postretirement Benefits</li><li>• <a href="#">Getzen Model of Long-Run Medical Cost Trends: Technical Model &amp; Documentation</a></li><li>• <a href="#">Can Pensions Be Valued as Marketed Securities</a>, Bader, <i>Pension Section News</i>, June 2009</li></ul>

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

- [What's Wrong with ASOP 27? Bad Measures, Bad Decisions, Bader and Gold](#), pp. 40-46
- [Credibility Educational Resource for Pension Actuaries, Society of Actuaries](#)

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

<b>8. Topic: Funding Policy and Accounting Standards</b>
<b>Learning Objectives</b>
The candidate will be able to recommend and advise on the financial effects of funding policy and accounting standards in line with the sponsor's goals, given constraints.
<b>Learning Outcomes</b>
The Candidate will be able to: <ul style="list-style-type: none"><li>a) Perform valuations for special purposes, including:<ul style="list-style-type: none"><li>i. Plan termination/windup</li><li>ii. Accounting valuations</li><li>iii. Open group valuations</li><li>iv. Plan mergers, acquisitions and spinoffs</li></ul></li><li>b) Analyze, recommend, and defend an appropriate funding method and asset valuation method in line with the sponsor's investment policy and funding goals.</li><li>c) Demonstrate how the retirement plan's cash inflows and outflows can affect the plan sponsor.</li><li>d) Advise retirement plan sponsors on funding costs including tax deductibility, required contributions and other alternatives to meet the sponsor's goals, consistent with government regulation.</li><li>e) Advise plan sponsors on accounting costs and disclosures for retirement plans under various standards and interpretations.</li><li>f) Demonstrate the sensitivity of financial measures to given changes in plan design.</li><li>g) Describe how a plan's funded status can impact union negotiations and multiemployer plans.</li><li>h) Perform and interpret the results of projections for short and long range planning including the effect of proposed plan changes.</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• <i>Morneau Shepell Handbook of Canadian Pension and Benefit Plans</i>, Shepell, Morneau, Whiston, Bethune and Clooney, J. Gregory, 16<sup>th</sup> Edition, 2016<ul style="list-style-type: none"><li>○ Ch. 6 &amp; 13 (pp. 407-413)</li></ul></li><li>• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto, Dale H., 2<sup>nd</sup> Edition, 2015<ul style="list-style-type: none"><li>○ Ch. 5 (excluding pp. 161-167 and 176), 7 &amp; 9 (pp. 308-339 and pp. 350-357)</li></ul></li><li>• DA-105-13: Measuring Terminable Postretirement Obligations</li><li>• DA-114-13: Risk Management and Public Plan Retirement Systems - Appendices only (pp. 1-33 background only)</li><li>• DA-137-13: Pension Projections</li></ul>

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

- DA-142-15: ASOP 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions
- DA-145-13: Acquiring a U.S. Operation—A Primer
- DA-146-15: ASOP 6, Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions
- DA-147-13: Intricately Linked: Pensions and Corporate Financial Performance
- DA-148-13: Mergers and Acquisitions: Due Diligence of Retirement Plans
- DA-157-18: PWC IFRS Manual of Accounting Ch. 12 (excluding FAQ 12.113.2 to 12.127.1)
- DA-168-17: IFRS and US GAAP: Similarities and Differences, Ch. 5 only
- DA-169-17: Mergers and Acquisitions: Key considerations for retirement plan conversion
- DA-170-17: Accounting for Buy-ins
- DA-175-18: Alternatives for Pension Cost Recognition—Implementation Approaches Using Bond Models
- DA-179-18: Introduction (A58), IFRS1, paragraphs 1-40, Appendix A, D, D10 & D11 only, IAS19, IFRIC14
- DA-180-18: Alternative Approaches to Calculating Service and Interest Cost under FASB ASC Topic 715, KPMG
- DA-804-18: FASB Accounting Standards Codification Topic 715
- DA-806-18: ASOP 21 - Responding to or Assisting Auditors or Examiners in Connection with Financial Audits, Financial Reviews and Financial Examinations
- DA-807-13: ASOP 44, Selection and Use of Asset Valuation Methods for pension Valuations
- DA-811-15: Gearing Up to Comply with GASB's New Accounting Standards for Public Sector Pension Plans and Sponsoring Employers, Segal, *Public Sector Letter*, December 2012
- DA-814-16: Accounting for Plan Splits & Plan Mergers Under U.S. GAAP
- DA-816-17: Accounting for Pension Buy-In Arrangements
- DA-819-18: The Funding of State and Local Pensions: 2015-2020 (Appendices for background only)
- DA-820-18: Multi-Employer Plans
- [Embedded Options in Pension Plans: Valuation of Guarantees in Cash Balance Plans](#), sections 1, 2, 3, 4, 6, 7, 8, 9, 10, 11 & Appendix II
- [CIA Educational Note: Financial Risks Inherent in Multi-Employer Pension Plans and Target Benefit Pension Plans, CIA Task Force on MEPP/TBPP Funding](#), May 2011
- [Embedded Options and Pension Plans, SOA Pension Section](#), pp.1-17
- [Duration and Convexity for Pension Liabilities, Pension Section News Issue #81](#), September 2013
- [Pension Risk Transfer: Evaluating Impact and Barriers for De-Risking Strategies](#), pp. 16, 17 & 20-27

Retirement Benefits – Design and Accounting U.S. Exam  
Spring 2018/Fall 2018

<b>9. Topic: Professionalism</b>
<b>Learning Objectives</b>
The candidate will be able to apply the standards of practice and guides to professional conduct.
<b>Learning Outcomes</b>
In general or given a context, the Candidate will be able to: <ul style="list-style-type: none"><li>a) Apply the standards related to communications to plan sponsors and others with an interest in an actuary's results (i.e., participants, auditors, etc.).</li><li>b) Explain and apply the Guides to Professional Conduct.</li><li>c) Explain and apply relevant qualification standards</li><li>d) Demonstrate compliance with requirements regarding the actuary's responsibilities to the participants, plan sponsors, etc.</li><li>e) Explain and apply all of the applicable standards of practice related to valuing retirement obligations.</li><li>f) Recognize situations and actions that violate or compromise Standards or the Guides to Professional Conduct.</li><li>g) Recommend a course of action to repair a violation of the Standards or the Guides to Professional Conduct.</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• DA-139-15: ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations</li><li>• DA-140-15: ASOP 27 - Selection of Economic Assumptions for Measuring Pension Obligations</li><li>• DA-142-15: ASOP 4 - Measuring Pension Obligations</li><li>• DA-146-15: ASOP 6 - Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions</li><li>• DA-805-18: ASOP 23 - Data Quality (background only)</li><li>• DA-806-18: ASOP 21 - Responding to or Assisting Auditors or Examiners in Connection with Financial Audits, Financial Reviews and Financial Examinations</li><li>• DA-807-13: ASOP 44 - Selection and Use of Asset Valuation Methods for pension Valuations</li><li>• DA-808-17: ASOP 34 - Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions, pp. 1-16</li><li>• DA-809-13: ASOP 41 - Actuarial Communications</li><li>• <a href="#">Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States</a></li><li>• <a href="#">AAA Code of Professional Conduct</a></li><li>• <a href="#">SOA Code of Professional Conduct</a></li><li>• <a href="#">SOA Qualification Standards</a></li></ul>