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In the wake of the financial crisis, many Americans are asking the question, “What is “retirement” these days? Can I afford to retire like others before me?” – which is likely followed by, “How can I better prepare for my financial well-being in later life?”

This resource is provided by **the Society of Actuaries (SOA)** to reporters and editors seeking information and thought leaders on how to clarify the complexities of retirement planning for the individual consumer. Expert actuaries specializing in retirement are available to explain how the individual consumer can sort through the complexities, explain the common misperceptions about purchasing the most appropriate products and identify the individual risks associated with transitioning into or delaying retirement, or re-defining retirement altogether. This includes insights on what employers, as key stakeholders to this issue, can be doing to educate, facilitate and direct this process.

About The Society of Actuaries

With more than 21,000 members, the SOA is an educational, research and professional organization dedicated to serving the public. The SOA’s vision is for actuaries to be recognized as the leading professionals in the modeling and management of risk.

IDENTIFYING RISKS WHEN TRANSITIONING INTO OR DELAYING RETIREMENT

There is a “new normal” for retirement preparedness, and in it, many individuals may be lost on how to plan for the future and take long-term risks into account. Some employers are working to redefine “end-of-career” profiles based on demographics and business needs. Actuaries can provide practical tips on various stages of saving and retiring to shed light on retirement risks from both perspectives. Some risks associated with transitioning into retirement are:

- **Longevity risk:** This is the risk of outliving assets. Average life expectancy figures are on the rise. While modern health care has extended the average life span, many individuals may outlive our financial resources. In fact, 67 percent of retirees and 61 percent of pre-retirees underestimate average life expectancy, based on their current age. Employers are not exempt from longevity risks either, but they are often better equipped to formulate a defense to mitigate these risks.
- **Disability risk:** An unexpected disability carries the risk of loss of potential earnings, limiting the ability to earn income and make contributions to a defined contribution plan. Employers may or may not have a supporting program for this type of individual risk.

To manage these risks, 58 percent of retirees have moved or plan to move their personal assets into increasingly conservative investments as they get older, while 52 percent have invested or plan to invest their money in stocks or stock mutual funds.

OFFERING TIPS FOR MINIMIZING FINANCIAL RISKS DURING “RETIREMENT”

There are financial risks with transitioning into retirement, and they can become more frightening the closer people get to their preferred retirement age. Here are some tips from the SOA for transitioning efficiently:

- **Keep skills fresh:** Remain active during retirement in case going back to work becomes an option. Both mental and physical activity helps to stave off “old age” and sustain employment marketability.
- **Look down multiple paths:** Preparing for retirement is a journey, not a one-stop destination. As circumstances and goals may change, identify different scenarios and outcomes to anticipate any unexpected events.
- **Assess employer support:** This is the time to fully understand how employers are helping to set the stage. Knowing what “retirement” means to an employer and the financial risks they are planning to bear on behalf of their employees will aid individuals in their personal plans.
- **Talk with an advisor:** Whether planning to “retire” in 10 years or currently transitioning into it – talk with a financial advisor. Working with an expert can give peace of mind and the discipline to take the necessary steps to not only preserve assets, but also grow and protect them for future generations.

PROVIDING MORE CLARITY ON RETIREMENT COMPLEXITIES: PURPOSEFUL QUESTIONS FOR ADVISORS

When transitioning into “retirement” and having doubts, questions or concerns about preserving, managing and growing wealth, get expert answers to these questions :

1. What happens if I become very ill or need long-term care?
2. What is the alternative plan if I die before my spouse to ensure s/he is covered for the future?
3. What does my employer expect; what commitments are they making; and what future employment opportunities are there?
4. What is the backup plan for my investments if the market experiences a downturn?
5. How much of this plan is guaranteed funds, and how strong is that guarantee?
6. How does my financial plan address longevity risk?
7. How are advisors paid?
8. Where does this plan break down and how can the potential risks be hedged?

For more information or to arrange an interview, please contact:

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THE SOCIETY OF ACTUARIES' EXPERT SPOKESPERSONS

Presented below are biographies for SOA experts for interviews or comments on retirement.

Anna Rappaport (Chicago, IL)

Anna Rappaport is owner of Anna Rappaport Consulting and Chair of the Society of Actuaries' Committee on Post-Retirement Needs and Risks. An internationally recognized expert on the impact of change on retirement systems and workforce issues, Mrs. Rappaport has established her own firm specializing in strategies for better retirement systems.

Prior to heading Anna Rappaport Consulting, she had a 28-year career with Mercer Human Resource Consulting and worked in the life insurance industry from 1958–1976. She has helped many organizations develop their strategies with regard to retirement benefits. The topics she focuses on include the future of employee benefits, strategy for pension benefits, implications of an aging workforce, phased retirement, post-retirement risk, retiree health, Social Security and women's special retirement challenges. She is a Fellow of the Society of Actuaries.

Valerie Paganelli (Seattle, WA)

Valerie Paganelli is an owner of Paganelli Consulting, Inc. She has more than 25 years of actuarial consulting experience with retirement systems for both private and public sector employers. She advises employers on how best to address demographic trends that define new-age "retirement" and how to fit both organizational goals and employees' needs. She has served as lead actuary to major organizations, developing strategies for leading-edge design and benchmarking of complex retirement programs. Mrs. Paganelli is a Fellow of the Society of Actuaries and an Enrolled Actuary under ERISA.

Steve Vernon (Oxnard, CA)

Steve Vernon is president of Rest-of-Life Communications. Mr. Vernon is a Fellow of the Society of Actuaries. Mr. Vernon has 35 years of experience helping large employers design and manage their retirement programs. He consults to the Retirement and Risk Finance business of Mercer and he has published three books on retirement issues. Mr. Vernon also writes the Money for Life blog for CBS

<http://moneywatch.bnet.com/retirement-planning/blog/money-life>

Mr. Vernon also has spent 15 years studying human potential and behavior change. He is a member of the Executive Faculty and Research Fellow with the California Institute for Finance at California Lutheran University, where he conducts research on behavioral finance. He is a graduate of the University of California at Irvine, with a bachelor's degree in mathematics and social science.

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