



SOCIETY OF ACTUARIES

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# The Actuary

The Newsletter of the Society of Actuaries

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## THE SOCIETY'S PUBLICATIONS

by Anthony T. Spano,  
Director of Publications

I hope this will be the start of what I think is a necessary two-way dialogue between those of us responsible for the Society publications and you whom we serve and to whom these publications are directed.

Let me start with a quick description of the Society's periodic publications. I'll restrict myself to publications containing actuarial literature as opposed to administrative publications such as the *Yearbook*.

- The *Transactions* is our formal, technical journal. It consists primarily of papers that have undergone an approval process, and discussions of the papers. It is published annually, with an index every few years.

- Closely associated with the *Transactions* are the *Reports of Mortality and Morbidity Experience*. This volume is scheduled to be published annually also, but since the last edition was published in 1983 and covered the 1981 mortality and morbidity reports, some skepticism is completely understandable (explanation and discussion of this later).

- The *Record* is just that—a record—of presentations and discussions at the Society's meetings. An issue is published for each meeting, with an annual index.

- The *Actuary* is the Society's newsletter and the publication that is probably most familiar to the membership. It is published monthly except in July and August.

- The *Pension Journal*, a new publication of the Pension Section, made its appearance in April. Other Sections have from time to time put out newsletters. More publications under

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## PENSION FUNDS TAXATION IN THE UNITED KINGDOM

by Alistair Neill

Under the UK system of taxation major changes can be made by the Chancellor of the Exchequer at his own whim without proper prior discussion or debate.

Such is the party discipline in the Houses of Parliament that the proposals in the Budget each March are automatically matters on which the Government get their way, and in fact some changes take effect immediately on the day of the Budget speech.

Last autumn it seemed (though they are, of course, very secretive about their doings) that the Treasury were thinking very seriously about changing the method of taxation of pension funds, the most likely target being the tax free build up (which also applies to life offices as they are allowed tax exemption for the benefits they insure for trustees of pension funds, and for the funds held for individual self-employed policyholders) and the commutation of pensions at retirement (which within limits is allowed by the Inland Revenue at present completely tax free). The Life Offices' Associations decided that something would have to be done to try to protect the status quo, so a campaign was started to make MPs and others aware of the possibility of change and of the probable effects in lower benefits for employees or higher (probably unacceptable) costs to employers. The problem was to convince people that the offices were not acting purely out of self-interest, and there were significant opposite viewpoints, particularly in the press, on the desirability of "fiscal neutrality" (all forms of savings should be taxed the same, with no advantage for pension funds).

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## BE AN ACTIVIST

by Bob Likins

This is the third in a series of three articles brought to you by the Society's Committee on Professional Development. The first encouraged members to author papers, the second encouraged participation in actuarial meetings, and this one encourages you to develop yourself professionally by being active on a Society or other actuarial committee.

### Which Committee?

Are you wondering, who needs your help? All the committees need willing and able actuaries to carry out their charges. The Society of Actuaries alone lists some 60 committees, task forces and sections in the *Yearbook*. Besides the national actuarial organizations, closer to home there are the local actuarial clubs.

If you have the time and interest to serve on a committee, compare your interests with the committee charges. For Society committees, read the charges in the *Yearbook*. To find out more, call the chairperson.

### Do You Qualify?

I talked to a few chairpersons, including some on the E&E Committees. Even though generalizations are forced, here are a couple:

- Chairpersons generally have to seek out members. They are looking forward to the updated SOA survey on your committee interests.

- Among the best candidates are those seeking membership by their own initiative and those referred by a departing committee member.

- Committee members for the few committees I contacted were expected to contribute from 10 up to 100 hours per

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## Society Publications

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Section, rather than Society, auspices are to be expected.

- Finally, there is ARCH (the Actuarial Research Clearing House), which contains papers of a research nature and is published approximately semi-annually.

Those of you who read or heard about the results of last year's membership survey (there was an article on it in the April *Actuary*) may have noted that members responded favorably to the Society's publications. For example, 72 percent of the respondents had a favorable or very favorable impression of the *Transactions* and only 6 percent had an unfavorable reaction. For the *Record*, the corresponding split was 64-7 percent, and for *The Actuary* it was 72-8 percent.

Despite this very favorable reaction, we who are involved with the Society's publications recognize we must be attentive to enhancing our services and meeting new and changing needs. In this context, I'd like to turn now to some of the things we are working on.

### Transactions

I'm sure you noticed that the 1983 *Transactions* was not distributed until early 1985. Ordinarily, we aim to distribute the volume in September of the following year, but we were about six months behind schedule. The primary reason was that we had to make a sudden change in printing arrangements which had a very serious impact on our timing.

We now have a new printer and are looking forward to a smoother schedule this year. Also, the Society office has hired a staff editor, Susie Pasini, who is doing most of the editing for the publication. Having Susie available as a full-time editor should help immeasurably in enabling us to meet our publishing schedules without placing a horrendous burden on the membership volunteers who have had to carry the entire load in the past.

As you know, we recently introduced an experimental procedure for distributing the *Transactions* preprints. Our goal is to reduce printing and mailing costs. Under this procedure, you have the choice of receiving only the preprints in which you are interested or

of receiving all preprints scheduled for publication. We'll be assessing this experiment at the end of the year.

On the subject of *Transactions* papers, we've noticed a substantial decrease within the past year in the number of papers submitted. I hope this is merely a random fluctuation. I would encourage all of you who have any inclination along these lines to try your hand at a paper. Procedures for submitting papers are described on pp. 67-68 of the 1985 *Yearbook*. While a paper must meet quality standards, no special literary ability is necessary. The Committee on Papers, which evaluates the papers submitted for publication, will often suggest improvements so that a paper can qualify for publication. Discussions of papers are also encouraged, and writing a discussion is often good preparation for writing a paper.

### Reviews of Actuarial Literature

In addition to papers, the *Transactions* has also included reviews of actuarial literature. Originally, these reviews appeared exclusively in the *Transactions*. After *The Actuary* was introduced, reviews began to appear also in *The Actuary*, and for the past couple of years have appeared exclusively in *The Actuary*. Our plan now is to publish all reviews in *The Actuary*; this should be sufficient for about 90-95 percent of the literature. Perhaps 5-10 percent of the reviews will merit a more permanent record, and these will also appear in the *Transactions*, in some cases in more expanded form.

### Mortality and Morbidity Reports

Why has a *Reports* issue not been published since 1983? This is our most serious problem in the publications area, but it is important to understand its source. What we have here are not publication problems but rather data collection problems. There have been serious difficulties in obtaining data from the companies contributing to the experience studies published in the *Reports*. To correct the situation, our Society staff has been working with the Mortality and Morbidity Experience Committees to simplify the data preparation and reporting instructions in order to encourage more extensive and timely company contributions. In addition, we're working to make the individual reports available upon request

## REPERCUSSIONS OVERSEAS

We are occasionally reminded that *The Actuary* is read overseas. A *Fairy Tale* by David Raymond in our April 1984 issue, together with the counter in Joan Freed's Letter (September), were reprinted verbatim in the March 1985 issue of *FIASCO*. For those who are not familiar with this aptly named publication, *FIASCO* is the magazine of the Institute of Actuaries Students' Society. □

## SIMULATION?

by Linden N. Cole

The Society has two task forces looking for more effective teaching techniques. One of these is seeking information about computer-based simulation games (sometimes called management games). These might be useful in basic education, or in continuing education.

Is there any Society member with access to such a game? If so, could it be played at a Society or an Actuarial Club meeting? What are the reactions of those who have played? Does playing improve understanding? Is it effective as an educational tool? Is working as a team a significant part of the value, or would it be as effective if the player worked alone? What are the appropriate questions that we have not thought to ask?

The task force will appreciate your help. Responses can be addressed to me, at the Society office. □

as they are completed, so that those who are interested will not have to wait for the published *Reports* volume. A notice of the available reports and how to obtain them will appear in *The Actuary* shortly.

### A Closing Word

I'll stop here and save a discussion of other activities for a subsequent article. Let me say again that we who are responsible for the Society publications are committed to providing effective services in an efficient manner and at reasonable cost. For us to do our job well, it really is important that we know your needs, your problems, and your suggestions. If you're really pleased about something, let us know that too. Please write to me or to the Society office. We'll be glad to hear from you. □