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Pension Section News

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News Releases

...Joint Board for the Enrollment of Actuaries

December 22, 1998

This notice provides enrolled actuaries and other interested parties with a reminder of the Joint Board's position, which was adopted some years ago, on a matter where some confusion has arisen in the past. The confusion arises because of a prefix use with the four-digit enrollment number. This number is used by an enrolled actuary for signing a Schedule B after December 31, 1998, but before the earlier of (1) receipt of official notice of reenrollment, and (2) April 1, 1999.

Accordingly, enrolled actuaries are advised that:

1. An enrolled actuary is not permitted to use the new 99- prefix until such time as he/she has been officially notified in writing by the Joint Board of his/her entitlement to do so. See the Instructions for Schedule B.

2. An enrolled actuary who has not yet received official notification from the Joint Board should use the 96- prefix if he/she signs a Schedule B in the first three months of 1999. The IRS Service Center will not reject the 96- prefix for a signature date during this three-month period. The 96- prefix will be rejected for a Schedule B where the signature date is April 1, 1999 or later.

Paulette Tino, Chairperson
Joint Board for the Enrollment of Actuaries

January 8, 1999

Patrick W. McDonough, Esq. has been appointed the Executive Director of the Joint Board, succeeding Robert I. Brauer.

Mr. McDonough holds a J.D. degree from Boston College and an LL.M. from Georgetown University. Since 1981, he has been a member of the Office of Director of Practice. In that capacity, he has worked not only with Mr. Brauer, but also with Mr. Brauer's predecessor, Leslie S. Shapiro. As Executive Director of the Joint Board, he will be responsible for the general operation of the Office of the Joint Board, including the handling of disciplinary matters involving enrolled actuaries, prior to their referral to the Joint Board.

The Office of the Joint Board has recently moved to a new location in downtown Washington, D.C. However, Mr. McDonough's address will be:

Executive Director, Joint Board for the Enrollment of Actuaries
Internal Revenue Service, Attention: C:AP:DOP
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

His telephone number is (202) 694-1891 and FAX (202) 694-1804.

Darryl M. Carter continues to be in charge of all administrative work of the Joint Board and thus will work closely with Mr. McDonough. Mr. Carter's address and FAX number are the same as above, but his direct telephone number is (202) 694-1854.

…National Academy on an Aging Society

January 12, 1999

SOCIAL SECURITY AND MEDICARE CAN SURVIVE THE ONSLAUGHT OF AGING BABY-BOOMERS

WASHINGTON, D.C.—In a new report, "Demography is Not Destiny," the National Academy on an Aging Society calls into question predictions that the impending retirement of baby boomers will produce an inevitable national crisis.

In fact, says the report, a wide range of outcomes is possible, depending on the growth rate of the economy, the future health status of the elderly and the resourcefulness of senior citizens and their families in changing their work patterns, savings rate, and other behavior. And although serious financial challenges lie ahead for government programs for the aged—especially Medicare and Social Security—these, too, could actually experience varying degrees of difficulty based on these same factors.

"This report should make policy makers wary of enacting major changes based soley on anxiety about projected increases in the number of elderly people," said Robert Friedland, Ph.D., director of the Academy. "The word we should be focusing on is 'challenge,' not 'crisis.' We should analyze how society has adapted to demographic changes in the past as a guide to how we might adapt in the future. But the adjustment will certainly be easier if the challenges ahead are addressed in a rational manner today."

The report draws on dozens of different sources of data and analysis—ranging from U.S. Census Bureau predictions to reports by academic experts—to make the following additional points:

Demographic change hasn't always spelled doom. Although the population of elderly in the U.S. is likely to double over the next 35 years, it has already doubled since 1960 "without devastating consequences." The reason, the report suggests, is that changing individual behavior, a changing economy, and changes in the public policy have all contributed to averting a crisis. For example, during the same period the nation's real income more than tripled, making America's population better off even as it aged. If such strong economic growth continues, additional resources will be available to help finance Medicare and Social Security in the future. There is no guarantee, however. "With little economic growth, society faces a significant challenge," the report states.

Aging in America isn't what it used to be. Older Americans today are healthier, wealthier, and better educated as a group than older people of any previous generation. These prevailing trends bode well for tomorrow's elderly population, who may be in far better position than their parents to work longer, stay healthier and live fuller lives well into old age.

Inequalities among the elderly may threaten the chances of an improved future. Despite overall improvements in health, wealth, and level of education of the elderly, some groups, such as older single women, remain very vulnerable. Income and wealth are distributed unequally. "These disparities are likely to persist or grow," said Friedland, "and must be addressed as changes in public programs are contemplated."

Demography isn't an exact science. No one knows for sure just how large the elderly population will be in the future, since trends in life expectancy, immigration, and other factors are difficult to predict. Depending on many of these trends, the U.S. Census Bureau has projected there may be as few as 288 million Americans in 2040 or as many as 458 million—a difference of almost 60 percent.

There is broad misunderstanding about the baby "boom." The conventional wisdom holds that programs like Social Security are in trouble largely because the baby boom has been followed by a long-term baby bust. But

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that's not so, the report points out. During the 18 years from 1946 to 1964, the peak period of the postwar baby boom, 76 million babies were born in the U.S. But over the past 18 years, from 1980 to 1988, almost as many babies have been born—some 72 million.

Friedland, director of the National Academy on an Aging Society since 1994, wrote the report with Deputy Director Laura Summer in consultation with an expert advisory group. The report was supported by The Commonwealth Fund, a New York City-based national foundation sponsoring independent research on health and social issues.

Copies of the 96-page report are available from the National Academy on an Aging Society, 1030 15th Street, N.W. Suite 250, Washington, DC 20005. Orders can be directed to Denise Pohopin at this address or by telephone at (202) 408-3375 or by e-mail at ***dpohopin@agingsociety.org***. Copies are available to the media free of charge and to the general public for $18.

The National Academy on an Aging Society is a non-partisan public policy institue that fosters critical thinking about the implications of an aging society.

Minutes of the Retirement Systems Practice Advancement Committee

by Judy Anderson

August 27, 1998

Attending: Ethan Kra, Joe Applebaum, Ken Steiner, Nancy Yake, Carol Zimmerman, Judy Anderson
By Phone: Larry Pinzur, Anna Rappaport, Don Segal, Kevin Shand, Arnold Shapiro

GAP ANALYSIS

The Committee reviewed progress to date on last year's Planning Committee's Retirement Systems Gap Analysis.

1. *Expand Outreach / Career Encouragement*
   The Committee felt that this was best handled by the Career Encouragement Committee.

2. *Seminar and Meeting Sessions*
   A number of seminar topics were mentioned including a seminar on pension plans and a company's bottom line, expert witness work, and a session on ethics and professionalism. The Committee suggested a full-day seminar on ethics for EA's, presented before the end of the current enrollment cycle, and regular half-day sessions on ethics, perhaps in conjunction with the SOA spring Pension meeting. They also discussed packaging seminars so that companies could put them on for internal use. For seminar tracks at SOA meetings, the Committee suggested one-page flyers along with the notice in the preliminary and final programs.

3. I*nvestment Education*
   The Committee suggested a series of day-long session on investments for pension actuaries at the SOA Spring Pension meeting, or as a stand-alone seminar

4. *Coordination with Other Actuarial Organizations*
   The Committee had a brief discussion about the growing concerns about the number of organizations, dues and the proliferation of seminars and meetings. Anna Rappaport volunteered to forward these concerns to the Council of Presidents.

5. *Assistance for Smaller Consulting Firms*
   The practice area is working on a

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