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CHAIRPERSON'S CORNER

Cynthia Levering, ASA

As I write this and look out the window at my back yard, the grass is bright green, the trees are full of leaves again and the flowers are blooming. It's hard to believe it's Memorial Day already and we are hurtling into summer. Soon the schools will be closed for vacation and we will all begin our annual pilgrimages to wherever it is we go to unwind, be it the beach or the lake or the mountains.

Time Value of Time

As I get older, I often think about an article I read in *Contingencies* magazine by Peter Neuwirth a number of years ago about the time value of time and how time seems to go faster as we get older. We've all heard the phrase "Time is money" and in a message to new accountants by Jean Price called "Life According to FASB," she argues that a parallel could be drawn between time and cash—the most basic asset class. However, she also argues that time is even more valuable than cash since the amount of time available to each of us is finite and our time is being used, spent, invested, and possibly wasted at a pace we cannot control.

Even though as pension actuaries, we are tasked with developing mortality assumptions to value liabilities, we can't predict how much time any of us truly have. We can, however, think about and manage how we spend the time we do have and look at time spent now as we do other investments that may pay benefits in the future. With that in mind, I encourage you to familiarize yourself with the activities of the Society of Actuaries in general and the Pension Section Council in particular and consider becoming involved in some capacity. As you will see in the near future, we have a great slate of candidates for the next election who have already made the decision to give of their time to benefit our profession.

What Has The Pension Section Council Been Doing With Its Time?

As you may know, our main focus for the past several years has been *Retirement 20/20*. Our recent activities include the following:

- We completed our third conference in November of 2008 where we examined the features of several actual systems, such as the Dutch Collective and the Ontario Teachers Plan, with regard to self-adjusting mechanisms in particular—the *Retirement 20/20* Conference Report will be available soon.
- We are continuing to work on our "Measurement Frameworks" to compare and contrast various existing systems as well as any new systems that are designed.
- Emily Kessler and I presented a webcast in March to update SOA members on our work.
- Andy Peterson and I participated in the pension symposium at the

end of the Enrolled Actuaries meeting to discuss current key retirement issues and identify lessons for the future.

- Our “Outreach to Actuaries” group has been looking for additional opportunities and venues for us to get our message out to local actuarial clubs and other interested groups (if your group is interested, contact Ann Gineo at agineo@sibson.com).
- Emily presented her paper entitled "Constructing New Retirement Systems: Choosing between Insurance and Investment, Choice and Default" at a recent Wharton Conference on retirement risk management. She also presented these ideas at a recent regional meeting of the Association of Canadian Pension Management.
- We have been working with an advisory group to design a “Call for Models” contest to solicit ideas for new retirement paradigms. The Call will be sent out soon and we plan to host a conference in the spring of 2010 to showcase the winning models and highlight those that best advance the debate and meet the core principles of *Retirement 20/20*.
- We have opened a dialogue with the Academy to explore how we can partner on public policy concepts related to *Retirement 20/20*.

As you can see, we have been very busy with this initiative. However, we have also been working on other projects. We recently helped to sponsor the Public Pension Finance Symposium. We have redesigned our web page and conducted a survey of our membership—you can be looking for the results in the near future. We are looking for ways to address other issues important to our membership, such as enterprise risk management, IFRS transition in both the United States and Canada and longevity issues, including working with the RPEC (Retirement Plans Experience Committee—Gavin S. Benjamin, Chair) to assess the availability of mortality data to create an updated table and projection scale.

In addition, we are launching a new column called “Perspectives from Anna.” I encourage you to read Anna Rappaport’s discussion about the adequacy of retirement resources. Anna is the head of our Committee on Post-Retirement Needs and Risks and that group has done an enormous amount of research on this topic for a number of years. She highlights a number of references and is asking for readers to write in with their thoughts on this issue—I strongly encourage you to do so.

Is it Your Time?

As you can see, the council is working on many projects. To those of you who are already involved, I offer my sincere thanks. If you have not yet become involved, I am sure there is something you can find of interest that would involve as much or as little of your time as you are willing and able to give, even if it is just taking the time to fill out a survey or the poll question in this newsletter. If time is our most valuable asset, we certainly want to use it as productively as we can. I guarantee that you will discover volunteering to our profession is time well invested, and a very rewarding experience!

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