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A VIEW FROM THE SOA'S STAFF FELLOW FOR RETIREMENT

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In the column I wrote for the January 2014 *PSN*, I wrote about the topic of mortality tables in the context of the anticipated release from the SOA's Retirement Plans Experience Committee (RPEC) of new pension-based mortality tables and projection scales. While not intentional, this May issue continues the theme of mortality/longevity topics, with three articles that fit that theme.

In addition to the RPEC's February 2014 release of exposure draft reports for RP-2014 base tables and the MP-2014 projection scale (for use by U.S. pension actuaries), the Canadian Institute of Actuaries (CIA) also released new final pension mortality tables for Canadian pension plans. The CIA study is unique because it is the first time that pension mortality tables have been developed in Canada using Canadian data. I won't write more specifics about either the SOA or CIA projects here but instead commend the articles in this issue written by Larry Pinzur and Faisal Siddiqi, on the respective projects.

These two projects were premised on the understanding that mortality has been improving and therefore pension actuaries need up-to-date mortality tables (and projection scales) to use when valuing pension plan obligations. Complementing this work is a third article written by Evan Inglis that summarizes the SOA's January 2014 Living to 100 conference. I also encourage you to read this article as it provides a very nice and relatively succinct overview of the issues discussed at the event. I was fortunate to be able to attend the event as well and particularly enjoyed the sessions where some of the leading experts in the field talked (and debated) about future prospects with respect to the biology of aging and possibilities for slowing down that process. I found a presentation by Dr. Anthony Atala, Director of the Wake Forest Institute for Regenerative Medicine, particularly interesting as he talked about using amniotic stem cells to grow human tissues and organs that can then be implanted back into patients. Several of his talks are available online (via TED talks or YouTube) and they are worth watching. How this technology will actually develop remains to be seen, but there are certainly very interesting implications for longevity issues.

In this context of longevity discussions and new mortality tables, the SOA is also working to fulfill our education mandate by providing opportunities for actuaries to learn about the new tables and also have materials that can be used when discussing mortality improvement with their clients. By the time this newsletter is published, the SOA will have hosted two webcasts in April on these topics and had RPEC representatives speaking at the Enrolled Actuaries Annual Meeting. We are also working on an educational presentation deck that will include "client-ready" slides that actuaries can insert into their own presentation decks for use in



client situations when discussing mortality improvement, in general, and the new SOA tables. *(Note that we expect these to be complete and posted to the SOA Pension Section webpage under mortality resources by the time this newsletter is published.)* In addition, we are planning sessions for the various fall meetings that pension actuaries typically attend.

One of the great things as staff fellow is engaging with members and volunteers on an issue that's so important to the pension practice. We have a professional responsibility to evaluate and incorporate the latest research and best practice when setting or recommending mortality assumptions. It certainly is an area where the public expects us to have expertise. In the current U.S. environment where many private sector pension plans are “de-risking” and evaluating “exit strategies,” the mortality assumption becomes even more important as it becomes

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a difference maker in assessing the value of the pension obligations in a transaction.

There are many new developments in the mortality/longevity area for pension actuaries—some of which are discussed in this issue—and I encourage practitioners to learn from your fellow members about this new information, so you can incorporate it into your practice. ■