



SOCIETY OF ACTUARIES

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ON THE RESEARCH FRONT

RETIREMENT PLAN MORTALITY EXPOSURE DRAFTS JUST RELEASED

The Society of Actuaries' Retirement Plans Experience Committee (RPEC) just released exposure drafts of the RP-2014 Mortality Tables and Mortality Improvement Scale, MP-2014. The primary focus of the RP-2014 work was a comprehensive review of recent mortality experience of uninsured private retirement plans in the United States. For pension-related purposes, the mortality projection scale, MP-2014, replaces both Scale AA, which was released in 1995, and the interim Scale BB, which was released in 2012. The exposure drafts are open for comment until May 31.

2013 RETIREMENT RISK SURVEY

The online survey of retirees and pre-retirees from ages 45 to 80 provides a glimpse into individuals' financial approaches to retirement and it identifies gaps in retirement preparations. The issues of most concern for retirees include inflation, paying for health care and the risk of depleting savings. Every two years since 2001, retirees and pre-retirees are surveyed and the results are consistently referenced in a variety of mainstream media and academic publications, including this year.

CIA AND SOA PARTNERING IN APPLIED ACTUARIAL RESEARCH AIMED AT PROVIDING TIMELY PERSPECTIVES ON KEY RETIREMENT ISSUES

The Canadian Institute of Actuaries (CIA) and the SOA are embarking on a new initiative to develop applied actuarial retirement research relevant to Canada. This in-house research capability will allow for the measurement of impacts on Canadian retirement systems such as changes in policy and legislation, funding relief measures, changes in economic conditions, and changes in demographics. The CIA and SOA will collaborate on the development of this applied retirement research initiative in Canada, using a dedicated database and modeling tool and dedicated staff resources funded by the SOA. The joint research effort ultimately intends to provide timely actuarial

perspectives on key retirement issues. This approach differs from the traditional CIA and SOA research methodology, where data and models are developed specifically for each research project and researchers are recruited separately for each project. It is important to note that this initiative is intended to complement—not replace—existing CIA and SOA research programs. The initiative mirrors the SOA's development of a similar capability in the United States, known as Data-Driven In-House Research.

REC STREAMLINES EVALUATION PROCESS FOR REX POOL FUNDING

The Research Executive Committee (REC) recently undertook a thorough review of the application and evaluation processes for the SOA's "Research Expanding Boundaries Pool" (REX Pool) with the goal of better addressing the needs of its stakeholders. Several important changes have been implemented to the REX Pool that will become effective in March 2014. The changes include moving to a continuous cycle of accepting and reviewing applications, streamlining the funding decision process, and expanding the eligibility of topics submitted for REX Pool funding. Full details can be found in the updated guidelines.

HYBRID PENSIONS: RISK-SHARING ARRANGEMENTS FOR PENSION PLAN SPONSORS AND PARTICIPANTS

Hybrid plans have become increasingly popular as companies seek to reduce their pension risks. Due to the creation of a wide variety of hybrid plans, the author of this report, John Turner, has provided an overview of types of hybrid plans, both developed and proposed, provided in several countries. The paper consists of three sections. The first provides four in-depth case studies of plans in the Netherlands, Sweden, the United States, Canada, Japan and Germany. The second section provides a categorization of hybrid plans, and the third provides a risk index for further categorizing plans. The report also includes an appendix presenting a survey of the types of hybrid pension plans used in a small selection of countries. ■