

May 2010, Issue No. 72



Share

Print-Friendly
ArticleSearch
Back issues

POLL



The *PSN* may be adding another recurring topical column going forward. Please choose the answer that best reflects your first choice for a new topic.

International
Investments
Risk

[View Results](#)[Share This](#)

IN THIS ISSUE

[Chairperson's Corner](#)[Notes from the Editor](#)[A View From The
Pension Staff Fellow](#)[Perspectives from Anna:
Women and Financial
Security](#)[American's Reactions to
Longevity Risk](#)[The World Future Society
2009 Conference: Issues](#)

A VIEW FROM THE PENSION STAFF FELLOW

By Andrew Peterson

I've been in my job as the Retirement Staff Fellow at the SOA for about two years. When I'm out and about at continuing education events or attending various committee meetings, I'm often asked about the role of the staff fellow and what I do exactly. That's an interesting question as the staff fellow role is quite unique, I think, versus many of the other jobs filled by actuaries. One of my key roles is to support the work of the Pension Section and so as we brainstormed on ideas for this edition of *Pension Section News*, we thought it would be interesting to add a new periodic column that provides an update on the initiatives that are crossing my desk.

Retirement 20/20

One of the key initiatives of the Pension Section Council is the *Retirement 20/20* project. *Retirement 20/20* seeks to find new retirement solutions that will meet the economic and demographic needs for the 21st century in North America. (For more information about this initiative, see the dedicated [website](#) or an article from the April/May 2009 issue of *The Actuary* summarizing the work of the *Retirement 20/20* initiative.)

We are at an exciting stage of the project, currently being in the middle of our [Call for Models](#) contest. This contest is a call for papers proposing new retirement systems that could provide new ideas to replace or improve the models currently in place in the United States or Canada. While we recognize that radical changes to our existing retirement frameworks are unlikely or at a minimum will take considerable time to effect (the health care debate in the United States providing a good example), we hope that the ideas raised will provide new viewpoints and principles for policy-makers and other stakeholders to consider.

We received 18 papers that have been judged on the basis of the principles we have developed in the *Retirement 20/20* process (using a

[Facing Older Women](#)

[2009 Pension Section
Survey: Update and
Action Plan](#)

LINKS



[SOA Pension
Section Web Page](#)



[20 / 20 Web site](#)



[Contact the Editor](#)



[Calendar of Events](#)

Measurement Framework template). A decision has been made to award cash prizes to the top four papers. In addition, these papers and a selection of the others will be presented at a special *Retirement 20/20* symposium that will be held in early June 2010 in Washington, DC. We will also be hosting an event in Canada in the fall to highlight ideas that are applicable in that context. Stay tuned for more information on *Retirement 20/20*.

Pension ERM Task Force

Another new project on my desk for 2010 is working with a newly formed task force that is tackling the topic of what enterprise risk management (ERM) means for the pension/retirement area. ERM is a concept that originated in the insurance world and while the science and practice seems to be well-developed there, we in the pension world are still figuring out how to apply ERM principles to our discipline. There are distinct differences between insurance companies that manage risk on an integrated basis and corporations or other entities (like public-sector employers) where the pension plan is just a piece (albeit a very big one in some cases) of the overall picture.

We have assembled a group of about 15 individuals who have expertise in either the pension or ERM area, or both, to work together on developing a robust set of ideas and resources linking ERM concepts more specifically to pensions and retirement planning. This task force is a temporary group reporting to the SOA Board of Directors Leadership Team with liaisons from both the Pension and Joint Risk Management Sections. We will deliver a report at the end of the year detailing the work and likely making recommendations that will help us better implement ERM practices in the pension area.

Retirement Research Initiative

Another initiative hot off the presses is a new "rapid research" function in the retirement area that the SOA Board of Directors approved for a pilot study at its February 2010 meeting. Over the last year, there has been a growing consensus within the actuarial profession's leadership that the profession needs to strengthen its capabilities to provide research and analysis that is responsive to important issues of immediate public, social or media interest. The actuarial profession has a unique and valuable perspective to provide on such issues, but it sometimes lacks hard data and research necessary for timely modeling and analysis of issues.

In response to this, the board approved a pilot project that seeks to strengthen the SOA's ability to provide timely, focused, and relevant research to the public. Using the retirement practice area as a starting point, the rapid research pilot project will focus on developing relevant research on retirement plans by giving the SOA the in-house capability to

model plans and provide analytical research results more quickly than is currently possible with traditional, predominantly volunteer-staffed research projects. More detail can be found [here](#).

In conjunction with this pilot, the SOA Board recently approved a newly created staff actuary position at the SOA. The Retirement Research Actuary will be responsible for developing and completing retirement research. Please read more about this position [here](#).

Conclusion

So, these are some key initiatives that I am focusing on, that hopefully will have positive implications for actuaries practicing in the retirement area. It is important to note that these activities only happen through the work of dedicated volunteers. While working on these projects is part of my everyday job, I'm thankful for the members of the Pension Section Council and other volunteer teams that go above and beyond to provide time and intellectual capital to get these projects completed.

Andrew Peterson, FSA, is staff fellow, retirement systems at the Society of Actuaries headquarters in Schaumburg, Ill. He can be reached at apeterson@soa.org.
