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Actuaries
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A VIEW FROM THE SOA'S STAFF FELLOW FOR RETIREMENT

By Andrew Peterson

Creating lifetime income in retirement plans is a hot topic right now. It seems that the broad retirement industry and policy-makers are waking up to the fact that with ever-increasing amounts of retirement assets being held in defined contribution (DC) plans (at least for those working in the private sector), participants need tools to manage the "pots of money" they will have in retirement. As I write this column, the U.S. Department of Labor (DOL) is seeking comments on an outstanding "advance notice of proposed rulemaking" (ANPRM) on the topic of providing equivalent lifetime income benefit illustrations for current and projected account balances in DC plans. In addition, the DOL's ERISA Advisory Council also focused on income in DC plans as one of their three study topics in 2012. That report is available on the ERISA Advisory Council website.

Those of us actuaries who work primarily with defined benefit (DB) plans might be tempted to take an "I told you so" attitude as we have observed the trend from DB to DC plans. After all, we have seen the income-for-life feature of DB plans as one the primary positive attributes of these plans, and one that has been sorely missing from (most) DC plans. While pension actuaries might fret about the decline in the DB system, the fact is that retirees still need to be able to make money last for their lifetime in retirement, so it is up to us to find new ways to provide our skills to help in this area. Along that line, I'd like to highlight two projects that I'm aware of within the actuarial profession on this topic.

First, the SOA's Committee on Post-Retirement Needs and Risks commissioned a paper on this topic that will soon be released. The name of the paper is, *The Next Evolution in Defined Contribution*

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