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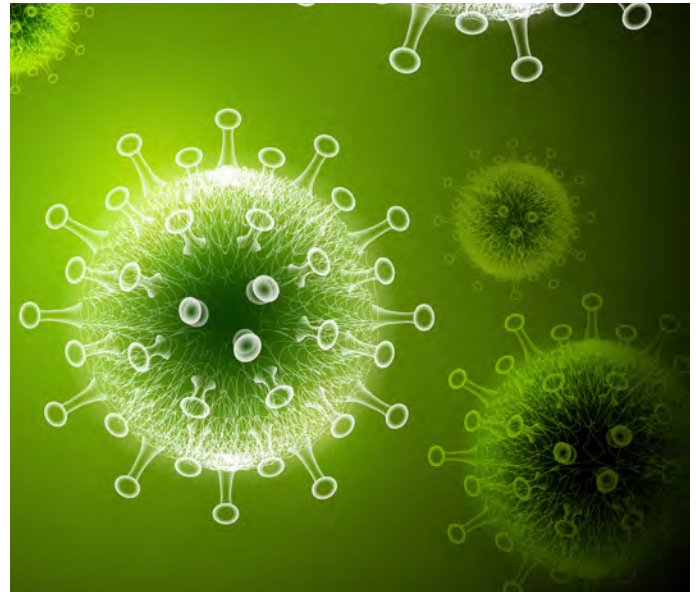
A View From the SOA's Staff Fellow for Retirement

By Mary Stone

In these turbulent times of COVID-19 and the volatile financial markets, ensuring that employees are able to successfully plan and manage retirement finances takes on increased importance in a predominantly defined contribution retirement system.

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security (CARES) Act included retirement plan provisions aimed to help retirement plan participants in these challenging times. In particular, the legislation permits greater flexibility in accessing qualified retirement plan balances. The CARES Act waives the 10 percent tax penalty for taking early distributions from qualified retirement plans, including IRAs and 401(k)s, for distributions up to \$100,000 taken during 2020. The reported income from the distribution can be spread over three years for tax purposes or repaid within three years to avoid taxation. In addition, the loan maximum has been increased from the lesser of \$50,000 or 50 percent of the vested account balance to the lesser of \$100,000 or 100 percent of the vested account balance for loans stemming from COVID-19.

Back in December 2019, the passage of the SECURE Act created opportunities for actuaries to advise plan sponsors on adding lifetime income options to their plans under the new safe harbor guidance and provide input to regulators developing lifetime income disclosures. The environment is much different now, with millions of jobless claims and furloughs, especially since the beginning of March 2020. This “new normal” has brought many new challenges for retirement professionals, chiefly that funds employees had set aside for retirement will probably now go toward meeting their current needs. The long-term implications this will have on the overall security of the American retirement system will take years to grasp fully. That being said, there are few other professions as well-positioned



to anticipate and develop creative solutions to address the challenges that lie ahead.

The Retirement Section's Defined Contribution Initiative held a face-to-face meeting last September with team members and invited guests to identify opportunities in support of the initiative's mission.

DEFINED CONTRIBUTION INITIATIVE MISSION

Create a robust actuarial career path in the retirement and/or investment fields by establishing a broad and holistic view of retirement systems that includes defined contribution plans. Support and enhance actuaries' ability to design, administer, and consult on all facets of defined contribution plans. Promote awareness outside the profession of how actuaries can provide significant value to all parties involved with defined contribution retirement programs.

In follow-up to the meeting, four areas of focus are being pursued:

- **Enhance Visibility:** Enhance the visibility of actuaries for DC plans through speaking engagements and press opportunities outside the profession.
- **Financial Advisors/Financial Planners:** Identify actuaries working as financial advisors or financial planners. Through

a focus group, identify how they are using their actuarial skills; establish a baseline for how many actuaries are active in these fields and measure progress towards expanding the involvement of actuaries in these fields.

- Education: Develop educational material for actuaries to provide a better career path: topics could include investments, human capital theory, and decumulation phase tasks. Utilize webcasts, articles and podcasts.
- Research: Build upon SOA research: summarize existing reports with a DC focus, create tools, expand distribution and circulation of results.

The DC Initiative recently launched a [resource page for defined contribution topics](#) accessible through the Retirement Section webpage. On this page you can find:

- Information about SOA research on defined contribution plan topics
 - » Access to defined contribution research reports in one convenient location
 - » Summary of research reports provides a quick guide to content
- Links to podcasts on defined contribution topics
 - » Actuaries working with DC plans: how their career path took them there

- » Designing DC plans to attract, retain and manage workforce
- Schedule of upcoming defined contribution webcasts
 - » Managing Decumulation - How to “pensionize” a 401(k) plan; June 10, 2020; 12:00–1:30 p.m. Eastern
 - » How DB Plans Affect DC Plan Design; Aug. 27, 2020; 12:00–1:30 p.m. Eastern

The Retirement Section has a [LinkedIn page](#). Please join the group (SOA Retirement Section), see the content that is posted, and help keep the dialogue going.

Are you looking for an opportunity to get more involved? Consider running for the Retirement Section Council. It’s a great way to contribute to the profession and expand your network. If you want to find out more about the experience, check out the [Interviews with Past Retirement Section Council Chairs](#) in the 100th issue of *Retirement Section News* published in February 2020. If you are interested, begin by completing an [SOA Section Election expression of interest form](#) by May 29. You can find additional information on the [Section Elections webpage](#). ■



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