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Chairperson's Corner

By Deb Tully

As I reflect on the Retirement Section Council's most recent meeting in San Diego, two clear themes were repeatedly discussed and debated. How can the Retirement Section modernize and meet the needs of millennial actuaries practicing in the area, and what role should and will retirement actuaries play in a predominantly defined contribution world? These two questions naturally intersect, and both address topics that are broad in nature and pose more questions than solutions when one starts digging deeper into them.

On the question of what role actuaries can play in a defined contribution world, the Retirement Section Council has convened a group of volunteers to explore this question with the goal of identifying and executing on actionable steps that the Society of Actuaries (SOA) can take to bolster the actuarial practice in the context of defined contribution plans. As actuaries, we are experts in evaluating and managing risk. The shift from defined benefit to defined contribution retirement plans does not eliminate risk but instead transfers it to a different party—from employer to employee. Risk remains present in a defined contribution world,

and as actuaries, there are roles we can and should play in this new world. At the outset, the volunteer working group quickly identified a variety of ways in which the role of the actuarial profession in a defined contribution world can be explored and further developed. There are small plan and large plan considerations. There are accumulation phase and decumulation phase considerations. There may be a need to provide educational resources to the actuarial profession, including exam content, webcasts and in-person meeting sessions, and there may be a need to further educate the consumer population (e.g., the plan sponsors, investment managers, participants) on the role the actuary can play in defined contribution plans. Given the many possible approaches to this question, the defined contribution project group will be working on short- and long-term goals in this area for the Retirement Section and the SOA and expects this to become a multiyear initiative that will continue to evolve and develop over time.

The question posed previously regarding what the SOA can be doing for younger actuaries in the retirement profession fits well with a broader SOA Board of Director's initiative to focus on meeting the new generation of actuaries' needs. It is no mystery that as defined benefit plans decline so does the influx of younger actuaries focusing on retirement; but defined benefit plans are not all disappearing tomorrow, and, as a matter of fact, some will be around for some time. We continue to have a solid cross section of millennial actuaries currently practicing in the retirement section. Not only do we want to help blaze a career path for these emerging retirement actuaries through the development of the defined contribution initiative mentioned earlier



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we also want to make sure we are hearing directly from this group of actuaries to understand their interests, concerns and what they would like to get out of the SOA Retirement Section. During 2019, the Retirement Section Council will be exploring this very issue. If you are a millennial retirement actuary and are interested in participating directly in this initiative, I encourage you to reach out directly to me or any of the Retirement Section Council members listed on page 2 of this newsletter and on the Retirement Section webpage. We would love to hear directly from you.

Further, if you are interested in volunteering on this and/or the defined contribution initiative, we would welcome your

participation. In my previous Chairperson's Corner, I spoke about the benefits of volunteering; following along that theme, volunteering is the path to having an impact on topics such as the two I am addressing here. Stay tuned for more developments in both of these emerging areas.

Finally, as I close out this edition of the Chairperson's Corner, I am excited to welcome Mary Stone as the new Staff Fellow—Retirement at the SOA, filling the role that Andy Peterson previously held. Mary brings energy and enthusiasm for the role and for advancing the professional interests of the retirement actuary. Her depth and breadth of expertise as a retirement actuary who has taken on a variety of roles herself uniquely qualifies her for this new role, and I have no doubt that she will do great things in her new position. Welcome, Mary! ■



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