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Chairperson's Corner

by Carolyn E. Zimmerman

This "Chairperson's Corner" is a collection of thoughts rather than a single theme.

As I mentioned in our last issue of *Pension Section News*, this year the Pension Section Council's focus is on improving the value of the Section to its members. We have started some new initiatives based on what we believe will benefit the membership, but we would like to know what you think. (In other words, using actual information is better than making an actuarial assumption!) So, using a time-honored approach, we are enclosing a survey with this newsletter. I know that pension actuaries are notoriously busy, but please try to take some time to complete the survey and return it to Lois Chinnock at the Society office at the address indicated on the form. We are in the process of deciding which projects to support, and want to focus our efforts on issues of most importance to you.

On another front, I am very excited about the prospect of developing a training course for entry-level actuaries. We

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A New Pension Accounting Standard for Multinational Companies

by Dennis M. Polisner

In the world of employee-benefit plans, employers and their advisors are faced with requirements to comply with governmental requirements, tax regulations, and accounting standards which continue to increase in their detail and complexity. In the U.S., the focus has been on local requirements, but increasingly, multi-national companies are faced with compliance issues that vary widely from country to country.

Public companies that have operations around the world may be accounting for their pension and other long-term benefit plans both in accordance with local country accounting standards and with the standards of the parent company's country for consolidated reporting purposes. This can be a time-consuming and costly process. Many of these companies might be better served if there was a single international accounting standard which could be used

to report pension costs and liabilities for all countries on a single, consistent basis. One of the principal reasons this has not occurred in the past is that each country has its own security regulation mechanism such as the SEC in the U.S. Each country's regulators have tended to require local accounting standards for companies issuing equity or debt securities.

It is first necessary to understand the structure of international regulation and standard setting in order to address the establishment of uniform standards around the world. This article briefly describes that structure, the process that is taking place to establish uniform standards, and some of the significant provisions of the new international accounting standard for pension and other postemployment benefits.

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have sketched out the general concept and
are planning to hire someone to design the
course. This is the first phase of the pro-
ject. The ultimate goal is to put the
course on an interactive CD so that em-
ployers can make it available to their ac-
tuarial students. We will soon be solicit-
ing proposals for this first phase. The
"Request for Proposal" will soon be
available on the SOA web page and will
be mailed on request to anyone who is
interested (see the announcement on page
13.) Please spread the word. This news-
letter is generally seen only by members
of the Pension Section and we would like
to hear from nonmembers as well.

I was disappointed to see a letter to the
editor in the last issue of *Pension Section
News* that criticized Jim Kenney's
comments on the improvement of the
SOA spring meetings (September 1997
issue). We believe that we have made
great strides in the past few years in
improving the quality and content of these
meetings. I, like Jim, have heard many
comments about the improvement of these
meetings relative to SOA meetings of the
past, and I suspect that the writer of the
letter in question has not attended an SOA
Spring Meeting recently.

The Spring Meeting generally offers
at least three pension sessions per time
slot (not one, as the writer thought), and
as you can see from the list of sessions
offered at this year's meeting, we are
including topics that should be of interest
to more advanced actuaries, such as the
"seminar" track on mergers and acquisi-
tions. We may not offer as many pension
sessions as are available at the EA or
ASPA meeting, but, to my knowledge,
the SOA Spring Meetings are the only
meetings with a full range of sessions for
the many actuaries who practice both in
the pension and health areas. As far as
being responsive to new developments,
speaker outlines are requested by the SOA
four weeks before the meeting but are
accepted up to the day before the presen-
tation if necessary. This approach affords
as much time as

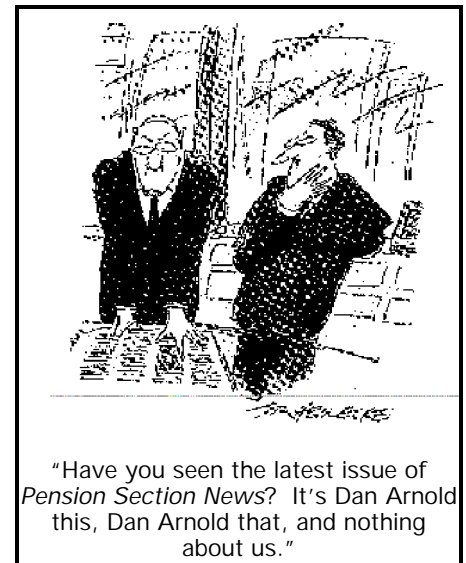
possible to incorporate up-to-the-minute
information while allowing time for the
SOA staff to duplicate and distribute the
material.

In short, if you haven't been to an
SOA Spring Meeting recently, I encour-
age you to give the next one a try. I think
you'll be pleasantly surprised.

I wish good luck to ASPA and their new
PAC. It is sad but true that those who
contribute to political campaigns have
more attention paid to their issues than
those who do not. ASPA has had success
in the past in its lobbying efforts;
hopefully this new PAC will help increase
its access to members of Congress.
These efforts, in combination (and maybe
even coordination?) with ERIC and other
similar organizations, should help make
members of Congress aware of the effect
of pension legislation on our clients and
on plan participants.

Last but not least, for those of you
attending the meeting in Maui, enjoy!

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Ernst & Young LLP in Pittsburgh,
Pennsylvania and Chairperson of the
Pension Section Council.*



"Have you seen the latest issue of
Pension Section News? It's Dan Arnold
this, Dan Arnold that, and nothing
about us."