



SOCIETY OF ACTUARIES

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“Volunteers Needed, Please”

Chairperson’s Corner

by Amy S. Timmons

Nineteen percent of the members of the Pension Section Council voted in its recent election—higher than the general population turnout for elections, lower than I would like for an organization that has a significant impact on our profession and its “new recruits.”

The new exam syllabus needs volunteer writers, reviewers, and instructors. Pension expertise is particularly important since our specialty is so unlike the insurance industry. We need involvement in overseeing the pension candidate’s educational requirements to become a Fellow of the Society of Actuaries.

Knowledgeable, articulate speakers are needed for meetings of the Society of Actuaries, the American Academy of Actuaries, the Enrolled Actuaries, and other continuing education opportunities required to keep our certifications.

Committees on professional

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OASDI Trust Fund: Principal Economic and Demographic Assumptions

Editor’s Note: The following excerpt is taken from Section II.D, “Actuarial Analysis,” in the 1999 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds. Copies of the OASDI 1999 Annual Report are available from Cece Enders (410-965-3015).

The future income and outgo of the OASDI program depend on many economic and demographic factors, including gross domestic product, labor force, unemployment, average earnings, productivity, inflation, fertility, mortality, net immigration, marriage, divorce, retirement patterns, and disability incidence and termination. The income will depend on how these factors affect the size and composition of the working population and the level and distribution of earnings. Similarly, the outgo will depend on how these factors affect the size and composition of the beneficiary population and the general level of benefits.

Because projections of these variables are inherently uncertain, estimates are shown in this report on the basis of three sets of assumptions, designated as intermediate (alternative II), low cost (alternative I), and high cost (alternative III). The intermediate set, alternative II, represents the Boards’ best estimate of the future course of the population and the economy. In terms of the new effect on the status of the OASDI program, the low cost alternative I is the most optimistic, and the high cost alternative III is the most pessimistic of the plausible economic and demographic conditions.

The economic and demographic assumptions used in this report are reexamined each year in light of recent experience and new information about future trends and are revised if warranted. This year, there was a particular need for such a review because of changes in the calculation of the CPI by the Bureau of Labor Statistics (BLS). These changes were announced last April, too late to incorporate into the 1998 report.

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Chairperson's Column

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standards, research, and legislative analysis, etc. are searching for actuaries willing to devote the time and energy to accomplish the large lists of tasks on their agendas.

In all of the above, I regularly see the same faces speaking, participating on committees, and volunteering. Where is the silent majority?

As a participant in some, but not all, of the above activities, I face the same dilemma as other actuaries—not enough time, the expense of participation, and the value to myself and my company.

However, from my point of view, if the actuarial profession is truly to succeed in its “big tent” initiative, we need to reach those of you sitting silently on the sidelines and tap into your strength. We need the prodding and prying of more than a vocal few who may or may not represent what pension actuaries believe is needed to move the profession forward.

Let me give you an up-close and personal example, the structure of the new exam syllabus. If you aren't an actuarial student or an actuarial manager who needs to know this stuff, you may not have realized what the changes mean to a pension actuary. My biggest disappointment in the new syllabus is that all of the enrollment examinations do not count towards Associateship. One of the concerns the Pension Section Council heard loud and clear during its membership survey last year was the need to encourage pension actuaries to get more than just their E.A., and to try and find a way to help them achieve Associateship and

ultimately Fellowship. The new syllabus does nothing to address this concern.

I admit to initially being a spectator on this issue. I saw the preliminary information on the revised syllabus and didn't read it. I was a Fellow already and had my E.A., what did it matter to me? Big mistake, and a selfish one. As I saw more and more of the details on the new syllabus, what I failed to pick up on was the lack of a strong representation of the pension actuarial student's interest.

I came on the Pension Section Council in October of 1997, just as the final version of the new exam

syllabus was being released for last comments. At my first Council meeting, the new syllabus resulted in an intense

discussion on where the enrollment examinations fell in the syllabus and thus, the new syllabus almost discouraging pension actuaries to pursue their Associate and Fellow designations. Some of us subsequently had a conference call with members of the Board of Governors to express our concerns. We were told it was too late, that the syllabus was already finalized and that we should have spoken up sooner if we were so concerned. For me—lesson learned!

The Council has tried to become more proactive where it believes it can have an impact on the educational opportunities and research needs of the pension actuary. But we, like you all, are subject to constraints of time and money. So my point?

Get involved, vote, volunteer, a little

or a lot (volunteering, not voting), to this profession whether through membership on committees, participation as a speaker, or mentoring a student. Help your employer see the worth of what you do. Support the younger actuaries in their efforts to get involved and shape the profession—we need that “new view.” More involvement by everyone, particularly pension actuaries, means a better representation of what the majority truly wants and ensures that the pension issues unique to our area of practice are not being ignored.

This is my last column as Chair of the Pension Section Council. I've thoroughly enjoyed the heated, irrelevant, frustrating, or downright crazy discussions that I've been involved in while on the Council. It's opened my eyes, albeit reluctantly, to the need to be involved in the profession more than just through my day-to-day work. It's given me an opportunity to quit complaining and to try and to do something for the good of pension actuaries. And while I've missed opportunities to do more or to do better, I've been able to put in my “two cents” about where I think the profession should go. And that's felt good. So thank you all for the opportunity to be on the Council, good luck to the new members and the continuing members on the Council, and please—get off the sidelines and join in the fun and fray!

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