



SOCIETY OF ACTUARIES

Article from:

Pension Section News

June 2003 – Issue No. 52

Chairperson's Corner

by Marilyn Miller Oliver

Summer is here, though one is never certain about that here in San Francisco, and it brings some developments in the Pension Area and also some long-overdue thanks to volunteers in the SOA Retirement Systems Practice Area.

Investment Statistics for Pension Actuaries

This summer historic investment statistics, downloadable in an Excel format, will be available to Pension Section Members on a new SOA webpage. These statistics will be updated quarterly and will include a variety of historic financial information including returns for indices such as the S&P 500, Wilshire 5000, NASDAQ, MSCI EAFE, and NCREIF Property Index and information regarding yields and yield spreads for a variety of types of bonds.

Financial Economics and the Pension Model

The results of a call for papers on this topic will be available in a monograph to be published after the papers' presentation at a seminar in conjunction with the June SOA meeting in Vancouver. The papers present a wide range of perspectives and should help us as a profession to further explore this area.

There was an excellent presentation on this subject at the Enrolled Actuaries Meeting. For those who didn't attend that meeting, I'd suggest buying a copy of the tape (available on the CCA website). The session explained very clearly many of the basic concepts involved in this dialog. Speakers included FASB Board Member John M. (Neel) Foster, Jeremy Gold of Jeremy Gold Pensions, and Michael Peskin of Morgan Stanley. The session was moderated by Ken Kent of Mercer.

Pension Section and Retirement Systems Practice Area

The Pension Section, one of the first special interest sec-

tions, was formed in 1983. Its purpose was to increase and better target SOA professional development support for retirement practitioners. (Prior to the formation of the Sections, the SOA was completely organized along functional lines.)

The SOA Practice Areas (including the Retirement Systems Practice Area) were formed in 1992 to "advance the research, education and professional development of SOA members in their area of practice," with an emphasis on projects of longer duration.

In the Retirement Area, there are committees on Research, Professional Development, Post-Retirement Needs and Risks, Social Security, and experience (Group Annuity Experience, Retirement Plans Experience). There are also task forces and workgroups for special issues (Financial Economics and the Pension Model workgroup and the Non-mortality Decrements task-force). Work is coordinated by the Practice Advancement Committee headed by a SOA Board Member. In all, there are nearly 75 SOA members volunteering on these committees and turning out everything from research on asset valuation methods and DROP programs to mortality and turnover studies.

The Pension Section often works closely with the committees in the Retirement Systems Practice Area on research-related projects. Current projects that the Section and the Practice Area are co-sponsoring include a survey of retirement plan design preferences and a study of factors influencing retirement-related decisions.

We're fortunate to have volunteers in the Retirement Systems Practice Area performing such fine work. ♦



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