



SOCIETY OF ACTUARIES

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Chairperson's Corner

by C. Ian Genno

The success of the Pension Section Council is, in part, attributable to a governance structure that calls for new members to be elected to the council for three-year terms, and for the roles of council members to evolve during their terms. Since the last issue of the *Pension Section News*, we've gone through a planned transition of membership on the Council.

Three colleagues have retired from the council: John Kalnberg, Marilyn Oliver and Zenaida Samaniego. John, Marilyn and Zenaida have made significant and meaningful contributions to the Pension Section over the last three years—both in designated roles managing specific aspects of the council's ongoing operations, and in directly addressing the needs of Pension Section members through the development and delivery of practical research initiatives, technical tools and continuing education opportunities. As colleagues on the council, we've benefited tremendously from their insight and dedication over the last three years. Thank you, John, Marilyn and Zenaida, for your contributions!

Joining the council are three newly elected members (as announced in the last issue): Anne Button, Betsey Byrd and Art Conat. Each one of them brings new perspectives and talents to the table, and they've hit the ground running in their first council conference calls and meeting. We're delighted to have the opportunity to work with them.

Within the council, several individuals' roles have evolved; the contact list below shows the new council structure. This allows us each an opportunity to contribute in a different way to the ongoing governance of the section. More important than the designation of specific roles, though, is the interest and commitment that all council members share in delivering useful, practical resources for Pension Section members.

In the last "Chairperson's Corner" Marilyn Oliver summarized some of the council's current research projects and several useful resources that have been posted recently on the SOA Web site. There have also been some insightful articles in the *Pension Section News* and *Pension Forum*. If you haven't had an opportunity yet, take a look—whether you're interested in statistics, analytical tools, practical research or opportunities to think about pension plan design and financial issues in a different way, there's something there for everyone.

In addition to disseminating information and ideas electronically and in print mailings, the council strives to offer a variety of face-to-face opportunities to learn from and share ideas with other pension practitioners. We're currently working with the SOA's Spring Meeting Committee to organize 16 sessions for the May meeting in Anaheim. And, motivated by a broader desire to increase the Pension Section's interaction, collaboration and visibility with non-actuaries who are involved in the pension business, we

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Covered compensation

For qualified retirement plans, the permitted and imputed disparity limits are based on covered compensation—the average OASDI contribution and benefit base for the 35-year period ending with the year the employee attains Social Security retirement age. In lieu of using the actual covered compensation amount, qualified plans may determine permitted or imputed disparity using a rounded covered compensation table published annually by the IRS. The 2004 table, published in Rev. Rul. 2003-124, rounds values

to the nearest \$3,000. The IRS rounds Social Security retirement ages up to the next higher integer for covered compensation purposes, even though the actual Social Security full retirement age increases in two-month increments. ♦

Heidi Rackley, Scott Tuckee and Barbara McGeogh are all principles in the Washington Resource Group of Mercer Human Resource Consulting. Heidi is an actuary; Scott and Barbara are lawyers. The WRG is a national resource for Mercer consultants and clients on legislative and regulatory developments; tax, ERISA, HIPAA, employment law and other federal and state law issues; retirement, compensation, health and group benefit plan design and administration; and government relations.

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recently partnered with the International Foundation of Employee Benefit Plans to co-sponsor a two-day seminar on pension issues for multinational employers, drawing an audience of plan sponsors as well as consulting actuaries.

From a financial perspective, the Pension Section is entering 2004 in a sound position. We have strong continuing membership and a healthy accumulated reserve, and are committed to making prudent investments of the section's financial resources to deliver useful resources and services to section members. As part of a review of issues relating to the governance of the Pension Section in 2003, the Council confirmed the criteria with which we evaluate proposed projects, reviewed our policy for managing the section's financial resources and engaged in a brainstorming exercise to identify the types of issues we want to address to benefit section members over the next several years. This has been reflected directly in our work in December and January to plan 2004 research projects, publications and meetings/seminars—more on this will appear in upcoming issues of the *Pension Section News*.

Of critical importance to the continuing success of the Pension Section is the support and engagement of volunteers drawn from the section membership. The SOA offers excellent professional staffing to support the section's initiatives, ensuring that volunteers' time is conserved and used as effectively as possible. There are many avenues for members to pursue, depending on where your interests lie. More on this, as well, will appear in upcoming issues of the *Pension Section News*.

Until then, enjoy the articles in this issue, and let us know if you have any comments, questions or suggestions. ♦

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