



SOCIETY OF ACTUARIES

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Pension Section Council Summary of Activities

by Anne M. Button

Note: This summary of activities was written in October 2004. Many activities referred to as future events/projects will have been held/completed.

The Pension Section Council had meetings via conference calls in July, August, September and early October, and attended a joint meeting in September with members of the Retirement Systems Practice Advancement Committee. Following is a summary of the current activities of the Pension Section Council.

Research Projects

Projects that the Pension Section is currently supporting include:

- The voluntary annuitization project by Moshe Milevsky has been completed and the software tool that examines the financial issues faced by individuals when they convert lump sum retirement savings balances into ongoing income streams is now available on the Web site and has received favorable press coverage.
- A project on preretirement influences by Linda Smith-Brothers, which involves a literature search to explore the various factors that influence an employee's decision to retire. The project has been expanded due to the large universe of articles related to this subject. The first phase of this project will be completed by the end of 2004.
- Retirement rate assumptions: focus on developing methodology and guidance as well as sensitivity analysis.
- Phased retirement: provide assistance to the project oversight group that is being established by the Research Committee.
- Solving the portability problem—a call for papers will be issued shortly.
- Articulating how a “rational” retirement age should be developed.

- Long-term implications of retirees lacking post-retirement medical coverage.

The council is always interested in ideas for practical research, so please contact a member of the council if you have suggestions.

Pension Forum

There are two forums that are still on target to be completed in 2004 and early 2005:

- One forum will focus on the yield curve, including one paper on how yield curves are developed and two papers discussing how yield curves may be used in valuing pension liabilities.
- The other forum will center around the paper, “A Re-evaluation of ASOP 27, Post-Enron: Is It An Adequate Standard of Professionalism?” by Frank Todisco and include additional papers in response to Frank's paper.

A forum with articles from the Vancouver Financial Economics Symposium is expected to be published later in 2005.

Statistics for Employee Benefits Actuaries

The statistics have been posted to a separate password protected Web site that is available only to Pension Section members. Please contact the SOA if you are a member and have lost the link and/or password.

Webcasts

The council has sponsored three webcasts regarding pensions and OPEB this fall. The first two webcasts were held in September: the first on the “Relative Value Regulations” and the second on “Accounting for Medicare Part D.” The third webcast, “Pension and OPEB Accounting Trends: What Next?” will be held November 16.

The council is continuing to explore the feasibility of developing and supporting a Web site that would provide understandable information to the general public on issues relating to retirement income delivery and security.

Spring Meeting

The council proposes to change how the pension-related portion of the SOA spring meeting is structured. Rather than offer a cafeteria-style selection of 1 1/2 hour sessions on various topics, we will focus on developing one or two in-depth seminars examining specific topics for the 2005 spring meeting. The subject of the seminar(s) will be confirmed at our next meeting scheduled for October 28.

Retirement Information Web Site

The council is continuing to explore the feasibility of developing and supporting a Web site that would provide understandable information to the general public on issues relating to retirement income delivery and security. Information that may be provided would include education regarding the various approaches to providing retirement income and the various risks inherent with making decisions about retirement including considerations in selecting assumptions, the time value of money, the risk of outliving assets, etc.

SOA Governance

Several members of the council are continuing to participate in ongoing discussions within the Society regarding the governance review and the future organizational structure that will most efficiently meet members' needs. This was the focus of the September meeting with RSPAC.

Living to 100 Symposium

The council voted to provide \$7,500 in funding to support this symposium. The research included in this symposium could affect the calculation of pension liabilities.

New Council Members

The council welcomed Josh Bank of Deloitte Consulting LLP, Tammy Dixon of The Segal Company



Right: Pension Section Council Members met in New York after the Annual Meeting. Pictured from left to right are: Joshua Banks, Martina Sohier, Ken Kent, Anne Button, Ian Genno, Sarah Wright, Eric Freden, Tonya Manning and Mike Pisula. Not pictured: Betsey Byrd, Art Conat and Tammy Dixon.

and Martine Sohier of Watson Wyatt Worldwide following the SOA elections in August.

Finances

The available funds of the Pension Section are as follows:

Assets as of March 31, 2004	\$189,000
Income	14,000
Expenses	
Ongoing Functions	1,000
Ongoing Services to Members	23,000
Assets as of June 30, 2004	\$179,000

Membership

There were 3,948 members as of April 2004. ♦



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