



SOCIETY OF ACTUARIES

Article from:

Pension Section News

January 2005 – Issue No. 57

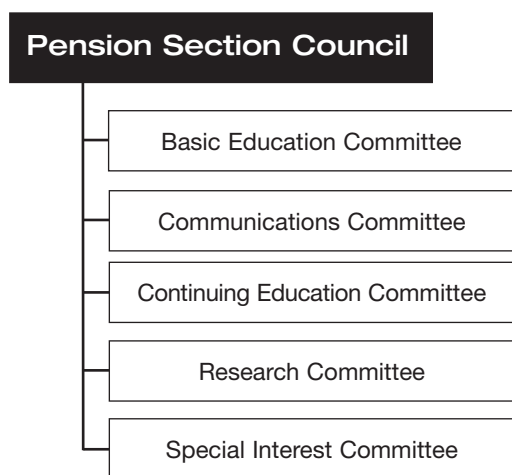
New Structure of the Section Council

by Emily K. Kessler

Okay, we hate talking about ourselves and how we're organized. But periodically it must be done, particularly when everything is changing. So, without further apologies ...

The Pension Section has taken on additional responsibilities as the SOA continues its reorganization of sections and practice areas. Not sure what a practice area is and what it means to reorganize sections and practice areas? Don't worry about it. Even if you do know what a practice area is (or was), all you need to know now is what's going on in the future, where to get information and how to get involved.

The Pension Section has taken on additional responsibilities in the new structure. Some of what the Section Council is doing are things they've done before, on an ad-hoc basis, and some are new to the Section Council. To help the Section Council get its work done, it is going to organize itself as follows:



The Section Council will take on new responsibilities, including areas such as:

- Environmental scanning: Identifying and communicating current, emerging and potential issues, topics and trends relevant to the section's members.
- Communicating with the Board of Governors. As your connection to the Board of Governors, the Section Council will be more closely communicating what it's doing

and learning about what the Board of Governors is working on.

- Taking responsibility for the identification and prioritization of experience studies and ensuring they are properly executed and meet members' needs.
- Leveraging the section's connections to further strategic initiatives of the SOA.
- Advocating for the interests and needs of pension actuaries outside the SOA (but not in ways that conflict with other actuarial organizations (e.g., the CIA, Academy).
- Establishing and maintaining external relationships with other non-actuarial organizations to enhance opportunities and increase visibility for the profession and professional development (but not in ways that conflict with other actuarial organizations (e.g., the CIA, Academy).
- Provide thought leadership for the pension actuarial community.

Many of these duties are new to the Section Council, and as such they saw the need to establish a new structure to ensure their other responsibilities are completed. These subcommittees are new to the Section Council; many of them are coming directly from the old Retirement Systems Practice Area committees, some are brand new.

- 1) **Basic Education Committee.** This is a new committee, and a new opportunity for section members to get involved in influencing the basic education process (also known as the examination system). The committee will be charged with:
 - Providing input on basic education content.
 - Answering requests from SOA basic education committees (e.g., for help writing study notes).
 - Providing regular review of the basic education syllabus.
 - Providing an avenue for the pension actuarial community's input to basic education process.

(continued on page 14)

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Above: Attending the October Pension Section Council Meeting were outgoing co-chair, Ian Genno, Ken Kent and outgoing co-chair Susan Wright.

Note: This committee has a different function from the Education & Examination Committees. It has no direct responsibility for syllabus planning or writing the exams. Its role instead is to act as an advisor and to help ensure that the syllabus includes the right material for pension actuaries.

2) Communications Committee. This is also a new committee, but an existing function of the Section Council. The council decided to move responsibility to a new group as it takes on additional responsibilities, but also to renew a focus. This committee will be charged with:

- Publicizing issues of interest to practitioners. This includes finding out what other associations and professional groups with similar interests are doing, and making sure news of their activities is communicated to section members.
- Overseeing responsibility for *Pension Section News*, the *Pension Forum*, and the Pension Section's Web site.
- Provide input to *The Actuary*.

While this is a new group, it already has one hardworking member, our current Pension Section News editor, Art Assantes.

3) Continuing Education Committee. Under the prior structure, there were two groups who worked on continuing education needs for retirement practitioners: The Committee for Retirement Systems Professional Education & Development (CRSPED) and the Pension Section Council. Now, the responsibility will lie with one group, the Section Council's Continuing Education Committee. We've asked members of CRSPED to step over and continue their work under the Section Council. This committee is charged with identifying and developing content for continuing education. It's a one-sentence mission statement that covers a lot, including the spring and annual meetings, webcasts, seminars and symposiums. In 2004, through the efforts of the Section Council and CRSPED 16 sessions for the spring meeting and 14 sessions for the annual meeting (which includes the Brave New World Financial Economics Seminar) were held. In addition, a series of four webcasts were held in the fall.

4) Research Committee. Again, under the prior structure, there were two groups participating in research activities: The Committee for Retirement Systems Research (CRSR) and the Pension Section Council. Once again, the work of these two groups will be folded into one committee, the Section Council's Research Committee. And once again, we've asked members of CRSR to step over and continue their work under the Section Council. It's another one-sentence mission statement that encompasses a lot: identifying and overseeing research initiatives. In 2004, the efforts of the Section Council and CRSR resulted in the completion of a turnover study and release of the Retirement Probability Analyzer software. A paper on Corporate Bond Yields (coming in the Pension Forum in the 4th quarter) was commissioned and a cash balance plan survey (for completion in 4th quarter 2004/1st quarter 2005) was started. And there are many more projects in the development stages.

5) Special Interest Committees. These are three committees that have existed under the practice area, which will be moved under the Pension Section Council. They are:

- *Committee on Post-Retirement Needs and Risks.*

This group focuses on the issue of risks faced by individuals after retirement—what do we know about them and how to manage and/or mitigate them—and what can be done to educate the public and practitioners about those risks. Chaired by Anna Rappaport, this group has a membership far outside the actuarial profession, including interested parties from the AARP, EBRI, LIMRA, NASI, WISER and various universities. The group has been very busy and published the 2003 Risks and Process of Retirement Survey, two short reports on the Risks and Process of Retirement and the upcoming paper on Public Misperceptions of Retirement.

- *Joint Academy/Society Task Force on Financial Economics and the Actuarial Model.* This is the group responsible for the Vancouver symposium (2003) and the webcast series

(2003/2004). Its mission is to determine if and then how financial economic principles might be incorporated into pension actuarial practice. It continues its work, including content for a spring seminar, a roundtable discussion and Web page.

- *Committee on Social Security.* This group is charged with looking at actuarial issues facing social insurance systems, particularly those in the United States and Canada. It doesn't advocate for change (that's the CIA/Academy role); instead it focuses on deriving a better understanding of the technical issues facing the systems.

Each of these groups is filled with volunteers with a passion for what they do. Working on a volunteer committee can help you expand your horizons and become a better pension practitioner. If you're interested in joining, contact Emily Kessler at ekessler@soa.org to learn more about what you can do. ♦

Hot off the press!

Life Insurance and Modified Endowments Under Internal Revenue Code Sections 7702 and 7702A

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