



2017 SOA
**Annual Meeting
& Exhibit**

Oct. 15-18, 2017
Boston, MA

Session 013 - Taxation Section Hot Breakfast

Moderator:

Lawrence M. Hersh, FSA, MAAA

Presenter:

Don Walker, ASA, MAAA

2017 SOA Annual Meeting & Exhibit

DON WALKER, FSA, MAAA

LARRY HERSH, FSA, MAAA

Session 13, Taxation Section Hot Breakfast

October 16, 2017



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Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.

Presentation Disclaimer

Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented. Attendees should note that the sessions are audio-recorded and may be published in various media, including print, audio and video formats without further notice.

Presenters

Don Walker

- Outgoing Chair of Tax Section Council
- Chief Actuary at Farm Bureau Life of Michigan until 2015

Larry Hersh

- Former member and Friend of the Tax Section Council
- Co-editor of Taxing Times with Jim Van Etten
- Product Tax Actuary at Pacific Life

What is the Role of the Tax Section?

Tax Section is one of several groups that look at the impacts of tax policy on the actuarial profession and those that it serves. These groups (made up of both actuaries and legal professionals) have distinct roles):

AAA Tax Working Group concentrates on POLICY

The ACLI concentrates on ADVOCACY

SOA Taxation Section concentrates on EDUCATION

Challenges for the Tax Section

Being responsible for EDUCATION requires knowledge of what is going on!

Most SOA educational functions have fixed schedules and long lead times.

These conditions require good COMMUNICATIONS between the groups and a great deal of FLEXIBILITY.

Who makes the Tax Section work?

Tax Section Council and FRIENDS!

Our volunteers fall into three groups:

Members of the Tax Bar

Actuarial Consultants who work with tax issues

Company Actuaries who work with tax issues

Reality Check

Our Attorneys and Consultants have the bulk of the knowledge. Many serve on more than one of the groups. Within the Tax Section, most of them serve as FRIENDS (there is only one council seat reserved for a member of the Tax Bar, the other 8 seats are filled by actuaries, and this group is dominated by company actuaries).

For this to work well, our company actuaries will quite often have to step out of their comfort zone and be the LEADERS.

The Challenge Going Forward

Tax Reform (if it happens) could be the most significant event in our careers. And, if it is, we will need to communicate this effectively to our employers.

For the Tax Section to do its part, we will need volunteers willing to step up and LEAD.

What is Taxing Times?

Is it a Newsletter or a Journal?

By the SOA, it is a newsletter for the tax section.

But... it is used by actuaries and non-actuaries as a reference guide.

What is $13 + 2 + 2$?

This is the makeup of the volunteers and staff that create Taxing Times

13 = Number of Editorial Board Members

2 = Number of Co-Editors (Jim Van Etten and myself)

2 = SOA (Kathryn Baker and Erin Pierce)

How is Taxing Times Created?

Overall, it is about a 4 month process to create and distribute each issue.

Writing Process

1. Planning meeting with editorial board and editors (February 1)
2. Writing by the authors (6 weeks for initial articles – Mar 15)
3. Review by editorial board and editors (2 weeks – April 1)

Production Process

1. Copy-Editing (Proofreading) and re-review by authors (2-3 weeks)
2. Galley Proof review (2-3 weeks – May 1)
3. Publication! (June 1)

Benefits and Challenges

For the SOA and Tax Section

It is a marquee publication that has broad range

For actuaries, it is a great source of both actuarial and legal information

Other Benefits:

Working on this has been a learning experience.

Being in the Tax Section has networking with highly regarded professionals

Challenges:

“Bullpen” - With limited new tax information, it is difficult to find ‘breaking news’ to report on to the membership. This will change.