

Hello,

As one of the moderators at the Public Employee Retirement Systems Workshop (Session 605) at the most recent EA meeting, I would like to share with the PIC the results of some polling which took place during the workshop. The workshop was well attended, with over 60 members offering their opinions during the session. Most (if not all) of the attendees work with public plans, either in an outside consulting role or employed directly by public retirement systems.

During the course of the workshop, Tom Lowman (the other moderator) and I proposed a number of statements to the audience and asked for yeah or nay votes in support of each. The first question asked whether the audience would support the release of a statement by the Pension Practice Council stating *"The PPC supports the disclosure of market value of assets and liabilities of public pension plans"*. **The vote was 12 in support, and 42 against such a statement.**

For the second question, the audience was asked if they would support the statement: *"The American Academy of Actuaries acknowledges that there is a legitimate and substantive difference of professional opinion within the actuarial community regarding the applicability of market value liability measures to public pension plans. The Academy encourages continued development and discussion of this issue."* **The vote was 49 in support, and 4 against this statement.** It should also be noted that at least two of the individuals who supported the first statement stated that they would have voted against the first statement had the 2nd alternative been presented first.

An additional statement was presented: *"The AAA supports and encourages actuaries to employ tools beyond traditional techniques in assessing and explaining the risk of assumptions not being met in the actuarial financial analysis of DB systems. These tools may include use of a risk-free or market rate of interest in the measurement of liabilities, as well as other techniques for measuring risk."* **The vote for this statement was 34 for, 13 against.**

I believe that the polling of the audience, while not "scientific", does reveal that there is a strong feeling of support for continued dialogue on this issue, and a strong opposition to a statement by the Academy in support of MVL measures for public plans by those with the most familiarity & experience in this area.

If you have any questions regarding the voting which took place, please feel free to contact me. There were several Academy staff members who attended the session as well, including Sam Genson and Andrew Simonelli.

Sincerely,

Graham Schmidt, MAAA, ASA, FCA

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