



AMERICAN ACADEMY *of* ACTUARIES

Pension Practice Council Cycle Report
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August 2010

PENSION PRACTICE COUNCIL HIGHLIGHTS
(Activity since last Board/Executive Committee meeting)

On July 15, the Pension Practice Council presented [an informational webinar](#) on the Governmental Accounting Standards Board's Preliminary Views document on *Pension Accounting and Financial Reporting by Employers*. The webinar featured three members of the Public Plans Subcommittee and was seen by nearly 300 Academy members and interested non-actuaries working in the public plans arena.

The PPC met in San Francisco on July 11 to discuss a wide variety of topics, including lifetime streams of retirement income, recently passed pension plan funding relief legislation, and a variety of public plans projects. The Council is conducting a thorough review of its strategic goals and received reports from all committees, subcommittees and task forces on mission statement revisions. The Council has established a task force to focus on communication between the PPC and the general membership. The Council has begun extending invitations to members of local actuarial clubs to attend PPC meetings.

The Pension Committee met on July 12 also in San Francisco. The Committee recently sent a [comment letter to the Cost Accounting Standards Board](#) regarding harmonization of CAS Nos. 412 and 413 with the Pension Protection Act of 2006, as well as a [comment letter to the Internal Revenue Service and Department of the Treasury](#) with suggested changes to the 2011 Schedules SB and MB instructions and forms. The Committee continues to work on a new item for the Academy website, tentatively titled the "Longevity Game" and is working with the Social Insurance Committee as that group updates the Social Security Game currently on the website.

The Social Insurance Committee recently updated its [Issue Brief on Social Security Reform](#). The Committee is eagerly awaiting the release of the 2010 Social Security Trustees Report, and is continuing its efforts to improve the Social Security Game.

OPERATIONAL PLAN HIGHLIGHTS

Initiative 2.1.1—Better Focus Practice Councils in Public Policy

The PPC continues to address the future of retirement policy and ways to better engage in the public policy debate. The PPC has discussed the financial crisis and funding relief at multiple levels, with separate dialogues underway in the PPC, the Pension Committee and the Multiemployer Subcommittee.

Initiative 2.2.2—Identify key bodies with which the Academy should establish meaningful relationships and establish priorities

The PPC and its committees have had meaningful discussions about strengthening key relationships with other interest groups and developing a clear message to convey to these stakeholders. Academy staff has had several meetings with House and Senate staff on key Congressional committees with

jurisdiction over pension, retirement, and social security issues. Academy staff is attending Congressional hearings on a regular basis and has met with a variety of other stakeholders, such as ERIC, ABC, AARP, and CRS. The PPC continues to provide staff with direction and resources for building these key relationships.

SENIOR PENSION FELLOW HIGHLIGHTS

Frank Todisco continues to participate in media interviews on a wide variety of significant issues, which recently have included heavy interest in public pension plan issues and lifetime retirement income security. Todisco had several speaking engagements during the months of June and July, including:

- June 2 and 3 - Panelist in a two-day SOA Retirement 20/20 conference, co-sponsored by the Academy.
- June 24 - Panelist in one-day conference, “The US and The Netherlands: Converging Paths to Retirement Security,” sponsored by the Heritage Foundation, Pension Rights Center, Retirement Security Project, EBRI, and the Dutch Embassy.
- June 26 - Issue expert on Social Security in an AmericaSpeaks national town hall in Philadelphia on June 26. The town hall event was titled “Our Budget, Our Economy.”
- July 14 - Panelist in a Capitol Hill forum on “Raising the Social Security Retirement Age while Protecting Those Who Cannot Work,” sponsored by the Urban Institute (part of a three-part series on Social Security Reform).

Together with Academy Pension Policy Analyst Jessica Thomas, Todisco continues to communicate with Congressional staff, federal regulators, and think tanks and trade associations to discuss policy implications of potential changes to all types of retirement programs, including Social Security; this included recent meetings with Congressional staff and Treasury officials on nondiscrimination testing and reviving defined benefit plans, and annuitization and longevity risk. Todisco works closely with many of the Academy’s committees, subcommittees, and task forces, and actively contributes to ongoing Academy efforts, such as in the development of research capabilities, practice notes, issue briefs, and comment letters in areas such as Social Security, tax reform, postretirement risk, assumption selection, and retirement plan financing, accounting, and design.

Recent projects completed or in progress have included the Academy’s [response to the Labor/Treasury Request for Information on facilitating Annuitization](#), providing input on the recently approved SOA “retirement rapid research” pilot project, planning enhancements to the Academy’s Social Security Game, and developing a new “longevity game.”

Todisco stepped down as Chair of the Actuarial Standards Board Pension Committee on May 1, and will continue to serve on the committee as a regular contributing member until the first set of exposure drafts is issued on major current projects such as economic assumptions (ASOP 27 revisions), measurement and value (ASOP 4 revisions), and risk (new ASOP). He is also serving as part of an International Actuarial Association work group exploring a re-write of International Actuarial Standard of Practice No. 2.

PUBLICATIONS

Future Publication/Activity	Committee/Work Group	Audience	Publication Date
Comment Letter on Difficult PPA Issues (Mergers, Spinoff)	Pension Committee	Internal Revenue Service	August 2010
Comment Letter on the Definition of IRS Interpretation of Administrative Expenses	Pension Committee	Internal Revenue Service	August 2010
An Actuarial Perspective on the 2010 Trustees Report	Social Insurance Committee	General Public and Policymakers	August 2010
Issue Brief: Raising the Retirement Age for Social Security	Social Insurance Committee	General Public and Policymakers	Fall 2010
Public Plans User Guide	Public Plans Subcommittee	General Public and Policymakers	Fall 2010
Issue Brief: Automatic Adjustments to Maintain Social Security's Long-Range Balance	Social Insurance Committee	General Public and Policymakers	2010