



AMERICAN ACADEMY *of* ACTUARIES

May 6, 2003

Gail Collins
Editorial Page Editor
The New York Times
229 W. 43rd St.
New York, N.Y. 10036

Dear Editor:

In your article “House Considers Measure to Cut Billions in Pension Obligations” on May 6, you noted that the proposed Portman-Cardin pension bill includes a provision for a “blue collar” mortality table that was derived from work by members of the American Academy of Actuaries and the Society of Actuaries. Your readers should know that neither organization was consulted in the drafting of that provision.

The Academy wrote a letter [to the Treasury Department in 2001](#) that a mortality table that distinguishes between blue-collar (union and hourly workers) and white-collar workers is an actuarially sound and preferable method to determine pension plan funding. It also clarified that well-paid union workers (airline pilots, professional football players, etc.) should be excluded from the definition of a blue-collar worker. It added that if a blue-collar mortality table is used, then a white-collar table should also be used (Portman-Cardin does not). The letter also explained why a blue/white collar mortality table was preferred over one based only on income level.

While individual actuaries may disagree with some points, the tables reflect the objective, unbiased analysis of a committee of distinguished actuaries. Your article has prompted us to write the bill co-sponsors to clarify the Academy’s position and offer our help in shaping a bill that will strengthen America’s retirement systems.

Sincerely,

John P. Parks
Vice President for Pensions
American Academy of Actuaries