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EAR
ENROLLED ACTUARIES REPORT

Selecting Economic Assumptions

BY JAMES E. TURPIN

ENCLOSED WITH THIS ISSUE OF THE *EAR* is a practice note for Actuarial Standard of Practice (ASOP) 27, "Selection of Economic Assumptions for Measuring Pension Obligations." Written by the Academy's Pension Practice Council to assist actuaries in meeting the standard, the practice note describes some approaches for selecting and documenting the investment return assumption for valuing pension plan liabilities.

The approaches illustrated in the practice note depend largely on historical economic data and relationships. Since future investment returns may differ significantly from historical results, actuaries should view the approaches outlined in the practice note as possible ways to begin or confirm a selection process. To emphasize that any process for selecting economic assumptions can be time-sensitive, the practice note uses 1997 data that is most suitable for 1998 valuations. Thus, before applying the approaches in the practice note, it's suggested that actuaries consider updating the underlying economic data.

During the development of ASOP 27, many actuaries expressed concern about being able to adequately comply with the

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Conferring before a general session at the EA meeting are, from left, Bill Falk, Alan Stonewall, Ken Porter, and Academy President Larry Johansen. For coverage of this year's meeting, turn to Page 3.

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EAR ENROLLED ACTUARIES REPORT

The *Enrolled Actuaries Report* is a quarterly publication of the American Academy of Actuaries (www.actuary.org).

Income Level Predicts Longevity

DATA COLLECTED FOR THE NEWLY DEVELOPED RP-2000 Mortality Tables show significant differences in white-collar and blue-collar mortality rates, says the Academy's Pension Committee in a recent comment letter to the Treasury Department.

In its April 27 letter, the committee recommended that the tables' base rates be adopted as the basis that pension plans use to determine current liability. The committee also recommended that the base tables be adjusted to reflect the differences in white-collar and blue-collar mortality rates.

"At age 65, the effect of collar [status] on mortality experience is much greater than that of gender difference," the committee said.

For example, the committee noted that, according to the RP-2000 data, the mortality rate for 65-year-old men is 42 percent higher for blue-collar workers than for white-collar workers. But the mortality rate for healthy 65-year-old workers is only 29 percent higher for men than for women.

The RP-2000 Mortality Tables were recently developed by the Society of Actuaries (SOA) to satisfy Internal Revenue Code 412(l) statutory requirements for determining current liability. The Pension Committee noted that the SOA's RP-2000 study, which used nearly 11 million life-years of data, includes the largest volume of private pension mortality data ever analyzed.

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VIEWPOINT

The 2001 Gray Book

BY JAMES A. KENNEY

READING THIS YEAR'S GRAY BOOK, it's hard to remember that there was once a time when actuaries used their experience, common sense, and actuarial judgment to resolve tricky pension plan situations. Instead, we now turn to 4,000 pages of ERISA regulations for the answers, and if we come up short, we pose absurdly complicated questions for next year's Gray Book.

Perhaps this is a good thing. Perhaps, in an environment of overregulation, it makes it easier to accomplish what our clients want. Most practitioners have unpleasant memories of the era of good faith compliance that followed the Tax Reform Act of 1986, when no one knew what the rules were or even if there were any rules.

Or perhaps this is a sign that we enrolled actuaries have become used to a cookbook approach to our work, and have lost our old skills of judgment and creative management of risk.

If only the government would offer us substantive guidance rather than micromanagement. How much difference does it really make that a change in valuation date is eligible for automatic approval unless the plan is involved in a spinoff (Question 10)? Or whether a prior funding deficiency is to be treated as a negative credit balance or a charge item on the Schedule B when the plan has become fully funded (Question 1)?

One-third of this year's questions involve hypothetical spinoff or merger situations. Most of these concern whether a change in funding method has occurred, and if so, how to handle it under Rev. Proc. 2000-40.

Question 10 is a wonderful example of the wasted effort generated by micromanagement. A midyear spinoff occurs; the sponsor wishes to do a July 1 "short year" valuation, and then resume using Jan.1 as the valuation date for the spun-off plan. Both dates represent the first day of the plan year in question. On the face of it, this is a no-brainer, crying out for a common-sense approach. Unfortunately, the government's answer is that neither of these changes is eligible for automatic approval, and in fact, they represent two distinct changes in funding method.The Treasury Department's answer makes sense as a strict application of Rev. Proc. 2000-40, but it doesn't make sense in the real world of deadlines, hefty fees to clients for work of little value, and a maze of funding rules as complex as the new cosmology.

The road to well-funded plans is rocky enough without the potholes created by overregulation. This year's Gray Book stands as a testament to the government's good intentions gone awry, as well as our own complicity in the process by asking picayune questions that result in picayune answers.

Instead, we enrolled actuaries should be working for a system in which the IRS gives guidance on substantial issues and leaves the details of implementation to us.

James A. Kenney is a consulting actuary with Coates Kenney in Berkeley, Calif., and a contributing editor of the *EAR*.

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Panelists at a general session featuring a mock ABCD hearing were, from left, CCA President Robert Rietz, Academy Vice President James Turpin, Anna Rappaport, Bill Falk, Academy President Larry Johansen, Ken Porter, Lauren Bloom and Alan Stonewall.

THE AGING OF THE U.S. POPULATION CONTINUES TO ACCELERATE, and life spans are expanding: What are the implications for retirement plan actuarial liabilities?

Malpractice claims and litigation have long been a fact of life in other professions: Is the actuarial profession now at risk?

Many employers have increased their use of independent contractors and part-time employees: When should these individuals be included in the company plan? When must they be included?

Nearly 1,500 pension actuaries attended sessions addressing these and other questions at the 2001 Enrolled Actuaries Meeting, March 19-21, in Washington. The meeting was co-sponsored by the Academy and the Conference of Consulting Actuaries.

Detailed coverage of many of the individual sessions begins below.

QDROs: Actuarial and Benefit Issues

BY BRUCE GAFFNEY

IN A SESSION AT THE RECENT EA MEETING, Paul Angelo, an actuary with The Segal Co., provided an overview of the pension actuary's role in assisting plan sponsors with their review of qualified domestic relations orders (QDROs). He also highlighted certain actuarial issues that sometimes arise in connection with QDROs. Attorneys Diane Bloom of the IRS and Susan Rees of the Department of Labor commented from the perspectives of their respective agencies.

Pension plan actuaries must be careful to ensure that a QDRO does not increase the value of benefits paid on behalf of a plan participant (for example, the value of benefits provided to a participant and an alternate payee must not exceed the value that would be provided to the participant alone in the absence of a QDRO). Actuaries must also ensure that a QDRO is unambiguous and clearly defines the amount and timing of benefits, the form of benefits, and the effect on benefits of future events (such as the death of the participant or the alternate payee).

The presenters cautioned that QDROs are complex and require a great deal of care and attention to detail. To protect the plan sponsor (and actuary), there should be clear and well-defined procedures for QDRO review. And the procedures, and any conclusions drawn on a domestic relations order, should be clearly communicated.

Fortunately, there are a number of resources that actuaries can draw on when dealing with QDROs. These include PBGC Publication 1005, IRS Notice 97-11, Department of Labor publications, and Actuarial Standard of Practice 34, as well as the relevant statutes and accompanying regulations.

The presenters briefly reviewed the two basic approaches to dividing retirement benefits:

► The "shared payment" approach, where each payment is divided between the participant and the alternate payee.

► The "separate interest" approach, where the benefit is divided between the participant and the alternate payee and then separately administered.

Certain unusual questions can arise under one or both of these approaches, such as:

► How is an early retirement subsidy allocated between the participant and the alternate payee? What if the alternate payee begins receiving benefits before the participant?

► What pre-retirement and post-retirement survivor benefits are allowable under QDROs? How are benefit payments affected by the death of the participant? What about the death of the alternate payee? What if the participant has remarried?

► What effect will a temporary early retirement "window" have on benefits payable to the participant and the alternate payee?

► Does the plan administrator have a duty to offer advice and/or guidance to the alternate payee and his or her counsel?

The presenters discussed a number of special situations in detail and provided extensive case studies. A definitive answer was not always provided, but the complexities of each issue were highlighted.

Bruce Gaffney is a consulting actuary with Ropes & Gray in Boston and a contributing editor of the *EAR*.

The New Retiree Group Benefits Actuarial Standard

BY ADAM REESE

LAST OCTOBER, THE ACTUARIAL STANDARDS BOARD (ASB) exposed for comment a revised ASOP 6, *Measuring Retiree Group Benefit Obligations*. At the recent EA meeting, two members of the ASB's Retiree Group Benefits Task Force, Dale Yamamoto of Hewitt Associates and I, outlined key provisions of the proposed revised standard.

ASOP 6 is a generic standard applying to all types of retiree group benefit measurements. It takes into account financial accounting standard (FAS) 106, cash flow projections, funding, and cost projections, although the task force recognized that the majority of work is done to meet FAS 106 requirements. Due to its complexity and importance, the task force paid particular attention to retiree health care, although the standard applies to all retiree group benefits.

Much has changed since 1988 when ASOP 6 was first adopted. In particular, the role of retiree contributions has increased, requiring the actuary to place increased emphasis on understanding their structure as part of the plan's cost sharing.

The proposed revision reflects a major rewrite of the existing document and repeals Actuarial Compliance Guideline 3, which was issued as an educational response to FAS 106 in 1990. The revised standard emphasizes the use of the plan's own data for health care measurements and permits the use of premium rates and normative claims data basis with additional analysis and adjustment.

One provision that may be of particular relevance to enrolled actuaries who prepare FAS 106 valuations in collaboration with a health actuary is the requirement that the actuary or actuaries issuing the actuarial opinion take responsibility for overall consistency of the analysis, assumptions, and results.

In a move to limit the use of overly simplistic models, the proposed revised standard requires the development of per capita health care rates for age ranges not exceeding five years, and it limits the use of roll-forward valuation techniques to triennial (or more frequent) valuations.

There is new material, as well, in the proposed revised standard. It calls for the application of ASOPs 25, 27, 31, and 35 to retiree group benefit measurements. It requires the actuary to

Social Security: A Global View

BY RON GEBHARDTSBAUER

AT THE RECENT EA MEETING, LENA ZEZULIN, an attorney with Cameron McKenna; Josh Bank, an actuary with Deloitte & Touche; and I gave a whirlwind tour of social security systems around the world.

An increasing number of countries, particularly in Central and South America, are moving to individual account systems at the urging of the World Bank. World Bank economists say these systems help develop the country's financial markets, increase job creation, reduce moral hazards and political risks, increase national savings, and help handle the problem of increasing longevity.

In my portion of the presentation, I suggested that World Bank economists need actuaries helping them with their decisions, and discussed why a retirement system such as we have in the United States (including employer-sponsored defined benefit plans) is better than individual account systems.

From the perspective of the individual, different birth cohorts can get very different benefits under a system of individual accounts, depending on the markets when they retire. And low-income retirees may get inadequate benefits unless they receive contribution subsidies from the government.

Some countries, particularly ones in Europe with mature systems, haven't fully privatized. They merely reduced their defined benefit systems and added individual accounts. Since a partial switch to individual accounts entails funding two systems at once, some countries, like Sweden and several in eastern Europe, have chosen instead to go with notional defined contribution plans (something like our cash balance plans).

Zezulin discussed some of the problems that countries have converting to individual accounts and suggested laws and other changes that are needed to move them in the right direction. Legal systems in other countries may not recognize concepts such as trust, fiduciary, and custodian. For example, it is difficult to hold property in trust for someone else if the renter has the right to refuse to relinquish it. Some countries may have cultural or religious problems with separating ownership and use, with the concept of insurance (is it gambling?), and whether charging interest is usury.

Bank gave an overview of the World Bank's PROST computer model that is used for social security projections in many countries. He also discussed his recent experiences in Thailand, which is considering blending its unfunded social insurance system with a fully funded individual account system.

If you would like to view the slides of any of the three speakers, e-mail me at Gebhardtsbauer@actuary.org.

Ron Gebhardtsbauer is the Academy's senior pension fellow.

reconcile projected cash flow to historical cash flow. And it provides guidance to the actuary in handling situations where there appear to be substantive differences between actual administrative practices and stated plan provisions.

The proposed revised standard covers grouping plan options and the need to recognize the dynamic nature of adverse selection issues where escalating costs lead to voluntary termination of coverage by the healthier participants.

The proposed revision also addresses concerns about areas where current practice may fall short of common standard practice, including:

- inappropriate use of insurance premiums
- lack of resolution with inconsistent data
- use of pension data without adjustments
- co-signing actuaries disclaiming responsibility.

The comment period for ASOP 6 ended March 31. The task force is currently reading the 22 detailed comment letters it received and hopes to present a further revision of ASOP 6 later this year.

Adam Reese is a consulting actuary with Towers Perrin in Arlington, Va. He is a member of the ASB's Task Force on Retiree Group Benefits and serves on the editorial board for the *Actuarial Update.*

Point and Click

CHECK OUT THE NEW WEB PAGES for the Joint Board for the Enrollment of Actuaries at **www.irs.gov/bus_info/tax_pro/actuary.html**.

Features include general information about becoming an enrolled actuary, regulations governing enrolled actuaries, and information about the current enrollment cycle. You can download a copy of the current program examination booklet, previous examinations and answers, and information on transition credit for examinations taken prior to January 2001.

The website also offers a downloadable form for notifying the joint board of changes in address. Beginning in October, the board will be mailing applications for renewal of enrollment to all current enrolled actuaries.

Toeing the ERISA Line

BY MARJORIE MARTIN

A SESSION ON ERISA COMPLIANCE PITFALLS, GIVEN BY Donald J. Segal, senior vice president and actuary for The Segal Co., and me at the recent EA meeting, offered an opportunity to take a look at an array of rules that are often misunderstood and frequently misapplied. The quick pace of the session and the variety of topics discussed gave most participants who were interested in improving plan compliance and design something of interest to bring home to their clients.

Topics that generated the most interest included:

- Dual annuity starting date requirements for participants who accrue additional benefits prior to their normal retirement date (whether earned by virtue of a return to work or an amendment improving benefits for existing retirees). This was highlighted in last year's IRS Gray Book in Question 22 and is supported by Reg. section 1.401(a)-20 Q&A 10(d)(2).
- Proposed retroactive annuity starting date regulations that would mandate compliance with sections 415 and 417(e) at both the actual and retroactive annuity starting dates (ASDs) and sometimes require spousal consent to a QJSA form of benefit. Consider a participant who is eligible to receive a 50 percent QJSA form at a current ASD of $1,000 ($500 to the spouse). At the retroactive ASD, the 50 percent QJSA is only $950 ($475 to the spouse). Because the election of the retroactive ASD produces a smaller survivor benefit, the proposal would require that the spouse consent to the choice made by the participant. Audience participants also raised concerns that the proposal would significantly tighten the obligation to provide interest on late payments. There is often an administrative delay when benefits start, and administrators typically don't adjust for interest. The regulatory proposal is viewed by some as creating an obligation to provide an interest adjustment even where there is just a one-month delay. The proposed change would modify Reg. section 1.417(e)-1.
- The ever-popular suspension of benefits rules, and what it really means to "suspend" benefits. The difference between temporarily halting payments and providing an actuarial increase at a later date and permanently forfeiting the withheld payments was discussed, with particular emphasis on the prohibition against "suspending" (forfeiting) benefits after age 70½.

Marjorie Martin is vice president and director of standards & review for Aon Consulting Inc. of New Jersey, in Somerset, N.J.

Changing Funding: Method or Madness?

BY TONYA MANNING

HOW MANY ACTUARIES DOES IT TAKE TO CHANGE A FUNDING METHOD?

One (we are, after all, an above-average lot). A more pressing question for those participating in a session on the topic at this year's EA meeting was: When do you have to request approval from the IRS before changing the funding method?

Except in cases where a change in funding method is approved automatically, a request is required. Therefore, Jim Holland, actuarial group manager at the IRS, Hal Tepfer, senior consultant and actuary for George Beram & Co., Inc., and I used this session primarily to focus on the situations where approval of a change in funding method can be made automatically.

To start off, we cited some reasons for possibly changing a funding method, such as:

- The current method produces a negative normal cost or negative unfunded accrued liability.
- There has been a merger or acquisition.
- There have been software changes.
- The current method does not smooth asset values.

We also provided a few reasons that should not be used to change a funding method, including:

- Wanting to fund the normal cost plus enough for the actuary to get a new Porsche (also known as the NCPEFTATGANP funding method).
- Treating a change from business dress to casual dress as a change in "soft wear."

Fortunately, there are two new IRS Revenue Procedures (Rev. Procs.) that provide some further direction.

Rev. Proc. 2000-40 provides automatic approval from the IRS for method changes that meet certain conditions and follow stated procedures. While it supersedes Rev. Proc. 99-45 and 95-51 (as modified by Rev. Proc. 98-10), Rev. Proc. 2000-40 doesn't significantly change the approvals previously available, but adds two additional approvals related to mergers.

Rev. Proc. 2000-40 has a timing restriction requiring that the method hasn't changed in the past four years. Additionally, a change in asset method, a change in plan year, and a change in liability method are each considered separately with regard to this restriction. In other words, there are three separate cycles that must be tracked: liability method changes, asset method changes, and plan year changes. A change in asset method in one year does not in itself preclude a plan from receiving automatic approval the following year for a change in liability method.

The session also touched on automatic approvals not related to plan mergers. In light of recent market volatility, considerable time was spent reviewing approvals for changing to certain asset smoothing methods. How do you handle the average value method when assets are held in a mutual fund, for instance, and information about unrealized and realized gains is difficult to obtain? Since it's difficult to accurately apply the average value method to such plans, said Holland, other smoothing methods might be better alternatives.

Rev. Proc. 2000-40 added two new approvals that apply to mergers that occur in the middle of the plan year and are not "de minimis." The first approval applies to mergers that have a transition period of no more than 12 month, and the second applies to mergers that have a transition period of more than 12 months. The transition period is defined as the period from the first day of the last plan year of the disappearing plan to the end of the plan year of the ongoing plan in which the merger takes place. The two new approvals each have different requirements that must be met in order to be automatic.

> A change in asset method in one year does not preclude a plan from receiving automatic approval the following year for a change in liability methods.

Rev. Proc. 2000-41 updates requirements for requesting approval for changes in funding methods, including the request for class rulings. It generally follows the approach outlined in Rev. Proc. 78-37, which it supersedes.

When applying for funding method change approval, Rev. Proc. 2000-41 requires that you explain the reason for the change, as well as why the change does not receive automatic approval under Rev. Proc. 2000-40. Holland warned that a change in funding method that has a significant effect on a plan's minimum funding requirement or full funding limitation in the year of change might be reviewed with particular scrutiny by the IRS. This is to ensure that a change isn't being made merely to receive desired results under Section 412 (such as allowing a plan to reflect favorable experience just to avoid a minimum required contribution).

If you are requesting approval for a funding method change related to a plan merger, the request should be received no later than four months preceding the Schedule B filing deadline for the plan year of the merger. If requested after this date, it's entirely possible that the Schedule B may need to be refiled.

Tonya Manning is vice president for Aon Consulting in Winston-Salem, N.C.

Communicating with Plan Participants

BY ROBERT RIETZ

COMMUNICATING WITH PLAN PARTICIPANTS INVOLVES much more than just providing benefit statements or summary plan descriptions. The events of the last three years illustrate the importance of successful participant communications and the need to treat plan participants as customers.

In a session at the recent EA meeting that attracted about 40 attendees, Mike McAllister, Southeast regional manager of communications at William M. Mercer, Andy Maxwell, who handles web applications at Watson Wyatt, and I offered suggestions on how to improve plan communications.

Participants are not a monolithic group, and one communication style will not reach all participants. Each plan will have subgroups of participants, differentiated by demographics, by different levels of electronic literacy, and by varying degrees of expertise in the subject matter. In my portion of the session, I emphasized that each communication effort should have SMART goals — goals that are specific, measurable, achievable, relevant and timely. I also suggested using multiple media — blast e-mails, blurbs in the company newsletter, regular mailings — to reach different subgroups of participants.

McAllister commented on recent IRS guidance and proposed Labor Department regulations covering electronic communications to plan participants. Two major requirements in the proposed Labor regulations are that participants have access to the electronic information at work and that they have the capability to print it there. McAllister also reviewed rules covering electronic signatures and the monitoring of employee e-mail and website traffic. Discussing the importance of user-centered website design, McAllister offered a slide show of good, bad, and ugly websites.

> The events of the last three years illustrate the importance of successful participant communications and the need to treast plan participants as customers

Further illustrating the point that simpler is better, Maxwell critiqued a website that featured a retirement projection tool designed to facilitate an employee's choice between the current plan and a new plan. Maxwell pointed out the need to reduce website clutter and banners, focusing instead on making the site functional from the point of view of the plan participant. Using the principles of user-centered design, Maxwell was able to chart the transformation of a once-mediocre website into one that was high-performing and visually attractive.

Robert Rietz is a director with Deloitte & Touche in Detroit and president of the Conference of Consulting Actuaries.

Know Your Professional Limits

BY ALAN STONEWALL

All pension actuaries have their limits. Within the profession, these can be found in three defined places: the Code of Professional Conduct, the qualification standards, and the actuarial standards of practice (ASOPs).

A session at the recent Enrolled Actuaries meeting focused on the source, and the importance, of the various standards that affect professional services delivered by pension actuaries.

Noting that the code now covers oral as well as written communications from an actuary, Lauren Bloom, the Academy's general counsel, led the audience through recent code revisions, highlighting changes from the previous code.

Dan McCarthy, the Academy's president-elect and former vice president for professionalism, then discussed the qualification standards. Emphasizing that there are both general and specific qualification standards that must be met, McCarthy argued that it often comes down to a matter of your own professional judgment as to whether you meet the qualification standards for a particular job.

As chairperson of the Actuarial Standards Board (ASB), I reviewed the actuarial standards of practice that specifically apply to pension actuaries. The applicability guidelines are a useful reference as to which standards apply to common services provided by pension actuaries. One word of caution: It's important to pay attention to generally accepted actuarial practices in areas where the ASB has not yet issued a formal ASOP.

Alan Stonewall, a director with Deloitte & Touche in Portland, Ore., is chairperson of the ASB and a member of the Academy's Council on Professionalism.

Longevity *continued from Page 1*

The Pension Committee praised the RP-2000 study as "a great advancement in the actuarial profession's ability to accurately estimate the nature and amount of pension liabilities in the uninsured pension system."

RP-2000 Report Updated

REPLACEMENT PAGES ARE AVAILABLE FOR THE RP-2000 Mortality Tables Report published by the SOA last July.

Replacing Pages 69-72 of the original report, the revised pages provide comparisons of annuities calculated using both the RP-2000 combined healthy table and the RP-2000 split employee and healthy annuitant tables. The original pages had only values related to the combined healthy table.

The replacement pages can be found at **www.soa.org/research/rp2000.html.**

Smoothing Errors, Soothing Clients

WHILE CLAIMS AND LITIGATION have long been a cost of business in many professions, actuaries seemed to be exempt.

"In the past, if actuaries made mistakes doing calculations, they could safely assume that their work was so technical, and so complicated, that their mistakes would never see the light of day," said David Godofsky, speaking in a session about professional responsibility at this year's EA meeting.

That is no longer the case.

"The actuarial profession has been discovered by the plaintiffs' bar," Godofsky announced.

Both Godofsky, an attorney with Alston & Bird and an enrolled actuary, and fellow panelist Paul Meyer, an attorney with Watson Wyatt in Washington, agreed there is no way to totally eliminate mistakes. But they presented several ways enrolled actuaries can protect themselves before errors occur. These include:

- Not overselling what you can do
- Looking for warning signs in problem clients
- Avoiding conflicts of interest
- Carefully identifying your client. Is it the plan, the company, or the individual who hired you?
- Not taking on a client unless you have a letter of engagement detailing the scope of the work, the limits of your liability, indemnification if you are sued because of an action by your client, and an agreement for alternative dispute resolution

Letters of engagement are routine in many other professions, Godofsky said, and in his legal practice he has never had a client who refused to sign. Meyer agreed: "I don't know anything more professional than using engagement letters. And it's not only professional, it's good communication."

How you correct the mistakes you do make is also important. When you realize your mistake, notify your client about it promptly and truthfully. At the same time, tell your client exactly how you intend to correct the error. "Communicate solutions — not just problems," Godofsky said.

If your reaction to a mistake is forthright and proactive, and you can communicate that effectively, you stand a good chance of actually cementing your relationship with a client in a positive way, Godofsky said.

In the end, Meyer said, communicating effectively with your client is just as important as giving good actuarial service.

Economic Assumptions *continued from Page 1*

standard. Clearly, the practice note does not include all of the methods that could be used to select investment return assumptions, but it is intended to help actuaries understand the process for selecting assumptions. Suggestions on the practice note are welcomed. Contact Bridget Flynn, the Academy's pension policy analyst, at 202-223-8196 or flynn@actuary.org.

James E. Turpin, president and consulting actuary for Turpin & Associates, is the editor of the *EAR* and the Academy's vice president for pension issues.