



AMERICAN ACADEMY
of ACTUARIES

NEWS RELEASE

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Actuaries Unveil Critical Approach to Assessing Nation's Retirement-Income Challenges

Retirement for the AGES Provides Framework to Assess Retirement Plans, Systems, and Policy

WASHINGTON – The American Academy of Actuaries today launched an initiative that will critically examine retirement systems and public policies affecting retirement security in this country.

The Academy, which is the public policy voice for actuaries in the United States, released [*Retirement for the AGES*](#), a monograph that sets forth an innovative framework for evaluating retirement plans and systems, both private and public, and retirement-income public policy proposals. This framework will serve as the basis for objectively scoring plans, systems, and proposals — an approach that will provide insights on how well they meet retirement-income needs and how they might be improved.

“What has been missing in the debate over America’s retirement systems, and how to improve them, is a common framework for evaluating them. The American Academy of Actuaries has developed this approach for both public officials and the general public to better understand their strengths and weaknesses,” said Academy President Tom Terry. “Often retirement-income systems are so complex that it’s hard to judge whether they have been well-designed. *Retirement for the AGES* is the antidote to retirement-policy complexity.”

The *Retirement for the AGES* framework is based on four principles — Alignment, Governance, Efficiency, and Sustainability — that can be used to evaluate whether a system:

- Frees employers from the complications of administering plans by increasing features like portability;
- Provides for professional management;
- Communicates retirement savings as future income replacement;

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- Adds strong automatic features and defaults, such as auto-enrollment and better default investment options;
- Standardizes and makes fees transparent in order to lower costs;
- Incorporates self-adjusting mechanisms to respond to changing economic conditions;
- Allows smaller plans to group together to take advantage of economies of scale;
- Develops procedures to help prevent decisions that damage sustainability; and
- Clarifies the role of members of a plan’s governing bodies and clearly defines conflicts of interest.

Retirement for the AGES was developed by the Academy Pension Practice Council’s Forward Thinking Task Force. Later this year, the Academy will release the first in a series of scorecards based on the *Retirement for the AGES* principles that qualitatively evaluate select systems and policy proposals.

Download [Retirement for the AGES](#), and learn more about the American Academy of Actuaries, at www.actuary.org.

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The American Academy of Actuaries is a 17,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

Media Only: To set up an interview with Tom Terry or Senior Pension Fellow Donald Fuerst, contact Assistant Director of Communications, Public Affairs, David Mendes at mendes@actuary.org or 202.384.2075.