



AMERICAN ACADEMY  
of ACTUARIES

# NEWS RELEASE

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## Actuaries: Living Longer + Lack of Lifetime Income = Risky Business

WASHINGTON – June 19, 2013 – Actuarial projections show Americans living longer, but if they are truly to enjoy their retirement years, they need to look differently at their lifetime income needs. A new discussion paper, “[Risky Business: Living Longer Without Income for Life](#),” developed by the American Academy of Actuaries’ Lifetime Income Risk Joint Task Force, explores the difficulties awaiting people in retirement who lack a plan for lifetime income, offers steps individuals can take to prevent shortfalls in retirement income, and discusses public policy options and education initiatives aimed at addressing the problem of inadequate lifetime income.

“The risk of inadequate lifetime income is a real concern,” explains Tom Terry, president-elect of the Academy. “The American Academy of Actuaries is encouraging current and future retirees, lawmakers, the benefits community, and others, to look within their areas of concern, whether it be personal retirement planning, public policy, or public education, to better prepare America’s retirees to meet their lifetime income needs.”

The risk of running out of funds too early in retirement is rooted in many factors, but especially increased lifespans — which are, on average, six years longer than when Social Security was first enacted. “Many people underestimate their own lifespans, and therefore, how much money they will need for retirement. Ensuring steady, sufficient income that lasts for a lifetime is difficult to achieve if a person fails to consider the possibility of living to an advanced age,” says Nancy Bennett, senior life fellow at the Academy and a member of the Lifetime Income Risk Joint Task Force.

The paper examines many options to help retirees meet lifetime income needs, including:

- Public policy options, such as modifying rules for required minimum distributions of retirement plans, increasing Social Security’s maximum age for delayed retirement

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credit, and encouraging the use of lifetime income solutions through well-targeted tax incentives.

- Education initiatives, such as providing lifetime income information through the workplace — including providing employees with periodic retirement plan statements with their estimated monthly benefit levels.
- Communication programs that objectively emphasize the value of lifetime income planning and management, including initiatives of the U.S. Department of Labor.

Learn more about lifetime income options and download “Risky Business: Living Longer Without Income for Life” online at <http://www.actuary.org/content/lifetime-income-initiative>. The American Academy of Actuaries will present a Capitol Hill briefing exploring lifetime income options on June 27, 2013, from 11 a.m. to 12:30 p.m. in room 215 of the Dirksen Senate Office Building in Washington.

For more information about the Academy, visit [www.actuary.org](http://www.actuary.org).

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The American Academy of Actuaries is a 17,000-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 arrange an interview with Tom Terry or Nancy Bennett, contact David Mendes, assistant director of communications, public affairs, at 202.384.2075.