



NEWS RELEASE

Immediate Release

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Actuaries Call for DOE Pension Policy Repeal

WASHINGTON – 3 May 2006 – The **American Academy of Actuaries** is urging the U.S. Department of Energy (DOE) to rescind its new policy eliminating reimbursements to contractors for defined benefit pension plan costs. The actuaries said that the new DOE policy undercuts the goal of improving retirement security.

“Defined benefit plans are essential to a secure retirement,” said **Donald Segal, Vice President of the Academy’s Pension Practice Council**. “The department’s new policy goes against decades of public policy. The federal government should be setting a good example—instead it is setting a bad precedent.”

The actuaries said the policy is detrimental to the employees of contractors who will be denied a predictable, secure retirement benefit, as their employers will no longer be able to provide defined benefit pensions to new employees.

“Public comment should have been solicited,” said Segal. “Given the ramifications to government contractors and national retirement security policy, the policy change should have been exposed to external review. The Academy is willing to work with the DOE to provide alternative solutions to remove volatility concerns without harming secure retirement income.”

Segal noted that recent investment and interest rate trends could help the management of the pension fund, which would be preferable to denying pension benefits to workers. In addition, there are numerous ways of mitigating cost volatility, including new plan designs and different investment approaches.

To view the Academy letter to Secretary Samuel Wright Bodman, visit www.actuary.org. For more information or to schedule an interview with a spokesperson, contact [Andrew Simonelli](mailto:Andrew.Simonelli@actuary.org), media relations manager for the American Academy of Actuaries, at 202.785.7872.

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The American Academy of Actuaries is the public information organization for the U.S. actuarial profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policy-makers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions and other forms of risk financing.