Since the last BOD/Executive Committee meeting, members of the Pension Practice Council (PPC) have been actively involved in:

- Responding to requests for information from congressional staff on issues regarding the administration’s proposal to reform pension funding rules.
- Analyzing current funding rules and developing alternatives that would alleviate the current funding crisis for defined benefit pension plans.

Strategic changes – the PPC discussed and developed a procedure to proactively defend the practice of actuaries in the media when reporters inaccurately portray the profession’s practices.

**Completed Projects**

**April 2005**
- Comment letter on Circular 230 (Pension Committee)
- Joint Hill briefing on Medicare and Social Security re: solvency of the programs. (HPC/PPC)
- Update issue brief - *An Actuarial Perspective on the 2005 Trustees’ Report* (Social Insurance Committee)
- Seminar at EA meeting on pension funding reform (PPC)

**March 2005**
- Fact sheet on credit balances and how they impact pension funding (Pension Committee)
- Comment letter to IRS on contribution borrowing (Multiemployer Plans Task Force)
- Letter to ASB regarding external review of standards (PPC)
- Letter to ABCD requesting an annual report of professional infractions subject to discipline (PPC)
- Analysis of the administration’s pension funding reform proposal (Pension Committee)
- Testimony for House Ways and Means subcommittee on select revenue measures on pension funding reform (Ron Gebhardtzbauer)
- Comment letter to IRS on amortization relief for multiemployer plans (Multiemployer Plans Task Force)

**February 2005**
- Issue analysis on pension funding reform for single employer plans (PPC/Pension Committee)
- Comment letter to IRS on proposed phased retirement regulations (Ret. Sec. Principles Task Force/Pension Committee)

**January 2005**
- Issue brief on multiemployer plans and funding principles (Multiemployer Plans Task Force)
- Backgrounder on questions to ask regarding Social Security reform proposals (Social Insurance Committee)
- Press conference prior to the State of the Union on Social Security reform issues (Fed. Agenda Task Force)
- Comment letter to IRS on amortization relief for multiemployer plans (Multiemployer Plans Task Force)

**Ongoing Projects**
- Issue brief on Stochastic Modeling (Social Insurance Committee)
- Comment letter to the IRS regarding their annual business plan (Pension Committee)
- Update the committee’s analysis of the Administration’s savings proposals (Pension Committee)
- Issue brief on cash balance plan conversions (Pension Committee)
- Issue brief on issues related to the advantages and disadvantages of a yield curve (Pension Committee)
- Handbook for actuaries on financial economics (Financial Economics and the Actuarial Model Joint Task Force)
- Issue brief on lump sums versus annuities (Pension Committee)
- Issue brief on transparency (Pension Accounting Committee)
- Consumer guide on longevity risk (Pension Committee)
- How much to save for retirement calculator (Pension Practice Council)
- Practice note on stock option valuations (Stock Options Task Force)

**Future Initiatives**
- Meetings with financial analysts regarding pension obligations
- Hill briefings on pension funding reform, Social Security reform, and misperceptions about retirement security
- Joint SOA/AAA project on experience analysis for stock options
External Relations
- Ron Gebhardtsbauer and Heather Jerbi met with Sen. DeMint’s staff to discuss Social Security reform proposals.
- Ken Kent, Eli Greenblum, Stan Goldfarb and Peter Verne met with IRS officials to discuss contribution borrowing for multiemployer plans.
- During the annual Hill visits, members of the PPC, Pension Committee and Social Insurance Committee met with congressional staff representing the House Education and the Workforce, House Ways and Means, Senate Finance, Senate HELP and Joint Economic committees, as well as officials from PBGC, Treasury, DOL, and the White House.
- Ron Gebhardtsbauer, Ken Kent and Heather Jerbi met with a number of congressional staff to discuss various issues including Social Security reform and pension funding reform.
- Jim McKeogh, Eli Greenblum, Brian O’Konski and Heather Jerbi met with IRS officials to discuss amortization relief for multiemployer plans.

Speaking Engagements
- Actuary Club of Harford, CT (May 5, 2005) on Social Security reform – Bruce Schobel
- Adirondack Actuaries Club (June 8, 2005) – Ron Gebhardtsbauer
- Portland Actuarial Club (June 23, 2005) on Social Security – Ken Kent
- 2nd Annual Perspectives 2005 (July 28-29, 2005 - Austin, TX) on Social Security and Pension Reform – Ken Kent

Media Placements (highlights)

January/February 2005
- CNNMoney.com – Ron Gebhardtsbauer quoted in article: Social Security: Nixing the Wage Cap
- New York Times – Reference to PAL program
- USA Today – Ron Gebhardtsbauer quoted in article: Plan Raises Questions About Impact
- Live Radio (Frank Beckmann Show) – Bob Reitz interviewed regarding Social Security
- Wall Street Journal – Bob Reitz quoted in article: If Its Broke, Fix It
- USA Today – Ron Gebhardtsbauer quoted in article: Social Security Gets Stretched, Strained by Long Retirements
- Live Radio (Charlotte Morning News) – Ron Gebhardtsbauer interviewed regarding Social Security

Meetings
- The practice council and pension committee met on January 23-24 in New Orleans, LA, and the next meeting will be on May 15-16 in Orlando, FL. Hill visits were held on February 28.
- The Social Insurance Committee met on March 31. Next meeting TBD.

People Issues

New Committee Members
Judy Stromback (Deloitte) has joined the Pension Committee.

Doug Holden (Milliman) has joined the Multiemployer Plans Task Force.

John Miller (Mercer), Nicolas Reitter, Wing Chan (Deloitte), and Jim McPhillips (Hay Group) have joined the Stock Options Task Force.

Robert May (Rudd and Wisdom, Inc.) and Deborah Brigman (Segal Co.) have joined the Public Plans Task Force.

Manha Yau (Watson Wyatt) has joined the Retirement Security Principles Task Force.

Board of Directors/Executive Committee Attention

None
Senior Pension Fellow Activities

March 2005
- Testified before joint meeting of Senate Finance and Senate HELP on the Future of DB plans
- Testified before House W&M’s subcommittee on Administration’s Funding Reform proposal
- Attended AEI event on the future of stock prices, with Shiller, Siegel, Zandi
- Met with DeMint’s staff on SS issue
- Helped get out papers on Pension Funding Reform, Analysis of Administration funding proposal, and Credit Balance fact sheet

February 2005
- Press Briefing at National Press Club on whether there is a Social Security crisis
- Conversations with CNN/Money around State of the Union
- Lead speaker at GAO Forum on Pensions
- Gave talk at annual UFCW meeting on Social Security
- Attended Financial Economics TF meeting, where they decided their mission was to ensure that all Academy material should reflect Financial Economics
- Attended luncheon with President’s chief economist (Mankiw), who talked on SS reform, and refuted his point that SS can’t be stable with wage indexation
- Gave talk on Pension Reform at Hill Briefing sponsored by Center for American Progress
- Lunches with PBGC experts
- Special intersector meeting with PBGC and Treasury on Pension Funding Reform details
- Hill Visits

January 2005
- Spoke at Greenbrier on Pension Funding Reform before Hill staff
- Attended talk given by Dean Baker and Gene Sperling on SS reform. Discussed economic equivalency of (1) dedicating tax on investments to SS with (2) SS investing in markets.
- Attended Intersector meetings at IRS and PBGC
- Gave talk on Pension Funding at Baltimore Actuaries Club
- SOA Pension Section Council meeting
- On Charlotte’s Morning News radio program on SS reform
- Spoke with Senator Clinton’s staff
- Met with Stacey Dion on Pension Funding Reform
- Met with House W&M staff
- Met with CRS’s new actuary, Neela Ranade
- PPC and Pension Committee meetings in New Orleans
- Met with SSA policy and research staff in SOA Retirement Risk meeting there
- Spoke at NASI annual meeting on IA payouts in other countries
- Chaired first meeting of Federal Agenda Task Force

Key Issues/Priorities for 2005

During their fall planning discussions, members of the Pension Practice Council identified the following key issues/priorities to guide their efforts in 2005:

- Revitalizing defined benefit pension plans as part of strengthening of private retirement systems.
- Addressing the funding and financial reporting of defined benefit pension plans.
- Defining the fundamental issues that Social Security reform should address.
- Advancing retirement income security policy.