

**Comment #76—10-22-2020—5:33 p.m.**

October 21, 2020

The Board of Directors and The Committee on Qualifications  
American Academy of Actuaries  
1850 M Street, NW, Suite 300  
Washington, DC 20036

Dear Sir or Madam:

This letter provides comments on the September 2020 Exposure Draft (ED) of the proposed revisions to the *Qualification Standards (including Continuing Education Requirements) for Actuaries Issuing Statements of Actuarial Opinion in the United States (USQS)*. I appreciate the opportunity to comment.

If we accept the premise that responsible actuarial experience, under the direction of a qualified actuary, is necessary to enable an actuary to perform correctly and responsibly, then it would seem to be irresponsible and unfair for the Actuarial Standards Board, in section 2.1d, to handicap Fellows with only one year of responsible actuarial experience, while Associates would be equipped with three years of responsible actuarial experience. Surely, we want Fellows to be as prepared and able to perform as Associates.

Section 2.11 of the draft states that Enrolled Actuaries are deemed to be eligible to issue Statements of Actuarial Opinion that ERISA mandates. Examples are given of funding calculations and Schedule SB filings. It is not clear whether this list is supposed to be just examples of services that could be provided, or it is supposed to be an all-inclusive list. It is unclear whether other Statements of Actuarial Opinion generally provided by Enrolled Actuaries for pension plans are mandated by ERISA and would therefore be covered or excluded by the Standard. While AFTAP's and PBGC premium calculations would probably be construed as mandated, other statements of actuarial opinion are less clear, such as individual benefit calculations and relative value calculations and Pension Benefit Guaranty Corporation Form 500. It is not clear whether ASC 960 calculations that are required to complete an audit of the plan are to be included or excluded. Calculations required by ASC 715 are not mandated by ERISA, so it would appear that the EA would not be able to perform these calculations. I believe that some clarification would be helpful.

Section 2.1 (d)(3) states that to issue Statements of Actuarial Opinion an actuary must "Have a minimum of three years of responsible actuarial experience in the area of actuarial practice relevant to the subject of the SAO under the review of an actuary who was qualified to issue the SAO at the time the review took place under the standards in effect at the time." I would suggest that it be made clear that prior to the date when the first Qualification Standards were issued,

there were no standards, so the term “actuary who was qualified to issue the SAO” at the time would essentially be undefined.

Thank you for your consideration.

Sincerely,

John P. Frederick