



AMERICAN ACADEMY of ACTUARIES

Objective. Independent. Effective.™

# NEWS RELEASE

**FOR IMMEDIATE RELEASE**

October 12, 2016

**Contact:** David Mendes

**Phone:** 202.384.2075

**Email:** [mendes@actuary.org](mailto:mendes@actuary.org)

## **New Issue Brief Explains Implications of Pension Risk Transfers for Different Stakeholders**

WASHINGTON – A new issue brief from the Pension Committee of the American Academy of Actuaries, [Pension Risk Transfer](#), explains the implications for different stakeholders of transactions intended to reduce risks such as longevity, investment, interest rate, and other types of financial risk for sponsors of defined-benefit pension plans.

“Pension risk transfers can have significant implications for the financial security and responsibilities of different plan stakeholders,” said Ellen Kleinstuber, chairperson of the Pension Committee. “This new issue brief explores how pension risk transfers can affect different parties. Whether you’re a plan participant, a plan sponsor, or a pension regulator or plan fiduciary, *Pension Risk Transfer* can help you take stock of how other key stakeholders view pension risk transfer and what a risk transfer transaction might mean for you.”

The issue brief explains that risk transfers may include the purchase of annuities from an insurance company that transfers liabilities for some or all plan participants; the payment to plan participants of lump sums that satisfy the liability of the plan for those participants; and/or the restructuring of plan investments to reduce risk to the plan sponsor. It examines risk transfer implications such as:

- The possible merits and downsides of different options typically offered to plan participants.
- The potential risks, benefits, and other business considerations for sponsors, including the effects on plan participants and shareholders, and on sponsor costs and liabilities.
- The responsibilities, including regulatory compliance concerns, of regulators and plan fiduciaries who serve or protect public or shareholder interests, respectively.

(MORE)

Download the issue brief by clicking on the “Public Policy” tab at [www.actuary.org](http://www.actuary.org) and visiting the issue brief section under “Pension.”

###

The American Academy of Actuaries is an 18,500+ member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted 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.