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ENROLLED ACTUARIES REPORT

The *Enrolled Actuaries Report* is a quarterly publication of the American Academy of Actuaries.
www.actuary.org

VOL.40 NO.2 SUMMER 2016

Signs of a New Trend: The DC'ing of DB Plans

By Ted Goldman
Senior Pension Fellow, American Academy of Actuaries

THE MIGRATION AWAY from the traditional defined benefit (DB) plan to the defined contribution (DC) plan has been much publicized. As a pension actuary, it's been frustrating to watch. In my heart of hearts, I know that defined benefit plans are an extremely effective way for an employer to deliver retirement benefits to employees—I want to scream it from the rooftops. But as the weaknesses of relying on defined contribution plans as the primary retirement vehicle are becoming exposed, there is an interesting trend that's possibly emerging—a fresh attempt to get the "best of both worlds" of what defined benefit and defined contribution plans have to offer.

This subject will be discussed more at the Academy's **Annual Meeting and Public Policy Forum** in November, and as the Academy's senior pension fellow, I have a unique vantage point through participation in retirement-related discussions with our members, policymakers, researchers, scholars, think tank fellows, and passionate stakeholders. Among these groups are those committed to helping individuals become financially secure throughout retirement. While defined contribution plans address many employer concerns about contribution volatility and balance sheet concerns, new problems are beginning to manifest. Many individuals don't know where to start in terms of determining how much they need to save. Those

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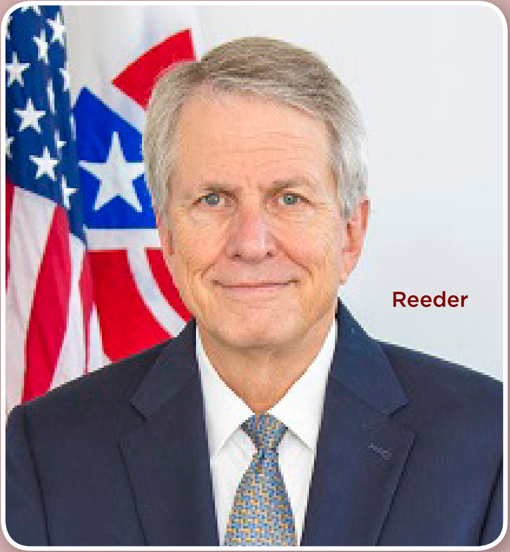
Reeder

TOM REEDER, director of the Pension Benefit Guaranty Corp. (PBGC), will be a keynote speaker at the Academy's **Annual Meeting and Public Policy Forum**, to be held in Washington on Nov. 3–4. Registration is open.

He will give perspectives on the strengths of and key challenges facing the PBGC, the agency that protects the pension benefits of more than 40 million Americans in private-sector pension plans. Prior to becoming the PBGC's director in October 2015, Reeder held positions in the Department of the Treasury and on the Senate Finance Committee staff, and practiced benefits law in the private sector.

Pension practice sessions at the meeting will examine multiemployer pension plans; explore

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Highlights of the 18th Annual Meeting of the Retirement Research Consortium

ON AUG. 4, the Social Security Administration (SSA), along with the National Bureau of Economic Research (NBER) Retirement Research Center, the Michigan Retirement Research Center, and the Center for Retirement Research at Boston College held the 18th annual Retirement Research Consortium. This meeting offers an opportunity for SSA grantees to share results of retirement-related research projects. There were seven panels at this year's consortium, held at the National Press Club in Washington, D.C., each containing three project summaries. The format consisted of presentations from each research team, followed by an independent reviewer.

Research related to retirement issues provides important insights that can help us develop well-informed public policies and find practical and effective solutions. The seven panels covered the following topics, with brief highlights noted:

Panel 1: Health, Health Insurance, and Choice of When to Retire: The Affordable Care Act shows minimal impact on retirement trends to date; the effects of health on the labor supply of older workers—permanent health shocks significantly impact retirement decisions.

Panel 2: Cognitive Health: Cognitive decline is generally arriving at later ages but appears to have minimal correlation with retirement age; more resources are needed for late-in-life disabilities; older workers remain productive, except for those with dementia.

Panel 3: New Ways to Insure Adequate Resources for Retirees: Home equity reverse mortgages can be an effective tool in retirement; state-sponsored retirement programs help boost savings, but the specific design will have an impact on the overall effectiveness; automatic savings features are still positive, even if offset by outside borrowing.

Panel 4: Government Finances With an Aging Population: One paper looked at lowering the Social Security payroll tax late in life to encourage longer careers; another looked at the earnings of undocumented immigrants and the possible impact on Social Security; the final study assessed the pros and cons of investing a portion of Social Security assets in equities.

Panel 5: Cohort Changes: The growth of defined contribution and IRA balances has not offset the loss of wealth in terminated/frozen defined benefits plans; student loan debt hurts young workers' finances, but has little impact on rate of retirement savings; marital history is strongly related to wealth for pre-retirement group.

Panel 6: Household Resources in Old Age: Transitioning out of the labor force at older ages results generally in reducing one's social network; low education is predictive of low late-life wealth; exploration of the state of the long-term care insurance market.

Panel 7: International Comparisons: Offering workers opportunities to extend their working lives has become the major policy option to offset the economic effects of an aging population; Americans are much more likely to have work and leisure boundaries that are blurred than Europeans; design features in social programs can drive retirement behavior; a look at Denmark to study the impact of passive (automatic) savings.

More information is available at the consortium's website, hosted online by the University of Michigan's Retirement Research Center.

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fortunate enough to have amassed a reasonable nest egg at retirement struggle to determine how to make sure their hard-earned savings will last, especially knowing there is a reasonable chance of living a nice long life. Employees may be hesitant to retire because they feel they do not have enough savings. As a result, some employers are starting to have concerns over an aging workforce.

So what's the new trend, you ask? So far, I've heard it referred to as defined ambition (my favorite), collective defined contribution, defined benefit risk sharing, auto-rebalancing, variable benefits, and composite plans. The general approach is a benefit formula communicated as a defined benefit plan, but with mechanisms in place to avoid or limit unfunded employer liabilities. I call this the "DC'ing of DB plans," because it comes in a defined benefit wrapper but all or part of the risk can be shared between the employer and employees.

Several examples may help illuminate the types of creative thinking that are emerging:

- ➜ Variable benefit designs that vary benefit levels based on investment performance.
- ➜ Designs that only pass through pre-retirement investment risk; once a participant retires, benefits are fixed.
- ➜ Designs that require a plan to always be fully funded and must adjust benefits or contributions accordingly.
- ➜ An approach that ties cost-of-living increases to actual investment returns or funded status.
- ➜ Stacked plans that provide a guaranteed benefit up to a certain level of income and pass through risk on everything above the guarantee.

If defined contribution plans are acceptable vehicles for delivering retirement benefits, then why shouldn't defined benefit plans be able to emulate similar features?

These risk-sharing defined benefit plans are designed with competing goals in mind like any traditional DB plan (balancing retirement adequacy with employer budgets). They adopt funding strategies designed with a high likelihood of delivering the targeted benefits. Actuaries have an important role to measure and monitor results. If experience is less than expected, depending on the design, the plan sponsor would be required to find the right combination of higher contributions and/or benefit reductions to bring the plan into alignment (or the plan provisions may dictate the "fix").

Put another way, the employer/trustees would have an objective of delivering the targeted benefits, but if things don't work out as planned, they have the ability to make adjustments (on a real-time basis) and in a strategic manner. Some of these designs may include funding strategies that focus on projecting assets and liabilities and target funding levels with a cushion to help minimize the risk of missing the mark.

The key advantages of this approach include:

- ➜ A focus on lifetime income to retirees as the form of payment (and use of pooling mortality risks).
- ➜ Professionally managed plan assets with appropriate risk levels.
- ➜ Reduce or no risk of unfunded liabilities for the plan sponsor.
- ➜ If adjustments are triggered, they can be done rationally and reflect an optimal change for a given situation. For example, cost-of-living adjustments, early retirement subsidies, or other ancillary benefits could be at the top of the list for adjustments. Similarly, benefits for the oldest retirees and those closest to retirement could have the highest priority to be preserved. In good times, previous benefit reductions could be restored. Contributions could be increased, if appropriate.

There are also disadvantages:

- ➜ Benefits are not guaranteed (but neither are defined contribution plans). Employees will need to factor this lack of certitude into their personal retirement planning.
- ➜ Developing a fair rebalancing strategy will be challenging, particularly if it isn't defined in the plan so all parties know ahead of time.
- ➜ Funding targets that are too conservative could result in creating an unproductive surplus or reserve. If funding targets are set too low, the lack of a guarantee becomes too risky.
- ➜ In most of these designs, individual participants are unable to establish their own risk levels and are subject to the overall plan risk adjustments.
- ➜ There may also be sharing of risks among employees in some of these designs. This is normally true for defined benefit plans, but in a shared-risk environment it may raise issues of equity amongst participants.
- ➜ Actuarial calculations are more complicated (but this is behind the scenes).

So who might the DB risk-sharing approach appeal to in the real world? These types of programs have been adopted in both Canada and the Netherlands. Here in the United States, the last bastion of defined benefit plans lies with multiemployer and public employers.

A risk-sharing design is currently a topic of discussion with respect to prospective pensions for multiemployer programs. Some public plans are struggling to address unfunded obligations and are considering their options. In the corporate world, for those who have held onto the traditional defined benefit approach, this might be attractive. For those employers that made the switch to defined contribution, this approach may become of interest if and when defined contribution shortfalls begin to arise in the form of attraction and retention problems or the inability to manage an aging workforce.

As we've moved to a defined contribution world, we've seen advancements in features that allow defined contribution plans to operate more like defined benefit plans (i.e., automatic enrollment, target date funds, and automatic escalation). It only makes sense that we consider approaches that come from the defined benefit perspective. ▲

ASB Pension Task Force Report Released

THE ACTUARIAL STANDARDS Board (ASB) **released the report** of its Pension Task Force (PTF), which began work nearly two years ago to consider the standards implications of many proposals for change related to public pension plans.

In December 2014, the PTF was formed to review input from interested stakeholders on actuarial standards of practice (ASOP) regarding public pension plans, for the purpose of developing suggestions for the ASB's consideration. This input included the responses to the ASB's request for comments on ASOPs and public pension plan funding and accounting, and testimony provided at the ASB's July 2015 public hearing on public pension plans.

After extensive discussion of the PTF's suggestions, the ASB has directed its Pension Committee to draft appropriate proposed modifications, in accordance with ASB procedures. The proposed modifications would be applicable to both public- and private-sector plans, and are part of a greater, ongoing effort by the ASB in recent years to strengthen pension-related ASOPs.

The details of the PTF's suggestions, including its rationale for each suggestion as well as summaries of the input received through outreach to stakeholders, can be found in the report.

As always, the ASB will keep Academy members and the public informed of proposed ASOP changes through the exposure draft process, membership newsletters, and other communications. The ASB encourages participation and feedback from all interested parties during the exposure draft process.

Central States Decision Highlights ASOPs, Pension Issues

U.S. TREASURY DEPARTMENT Special Master for implementation of the Multiemployer Pension Reform Act (MPRA) Kenneth Feinberg communicated the department's decision on May 6 to reject the application from the Central States Pension Fund, one of the nation's largest multiemployer pension plans, to reduce benefits to some retirees beginning as soon as July, as plan sponsors had requested.

> Treasury's decision could have implications for the PBGC's multiemployer program.

Central States submitted an application to Treasury under the MPRA to allow the fund to reduce benefits for certain participants. Without some form of relief, the Central States Pension Fund is projected to become insolvent in about 10 years. The reductions would have affected almost 300,000 primarily Teamsters union members and retirees; a key reason the plan has been paying out more than it has taken in is because of declining union participation in the trucking business since the 1980s.

Central States has since indicated that it does not plan to reapply for a reduction.

The Academy's Pension Practice Council is monitoring the implementation of MPRA, and the Academy released an **alert** about the Central States decision, which was issued in May after the Spring *Enrolled Actuaries Report* was published. The Academy also is developing a series of pieces, including a forthcoming issue brief on the Pension Benefits Guaranty Corp. (PBGC) guarantee of multiemployer plans, and an *Essential Elements* overview on multiemployer pension plans.

Feinberg noted in a 10-page letter outlining the Central States decision that, in applying the regulations, Treasury referred to guidance provided by the standards of the actuarial profession—specifically actuarial standards of practice (ASOPs) Nos. 4, 27, and 35. These ASOPs relate to measuring pension obligations and selection of the underlying assumptions. The decision was largely based on the conclusion that the proposed benefit suspensions are not reasonably estimated to allow the plan to avoid insolvency—which is an objective of MPRA. Treasury cited three particular reasons for rejecting the application:

- ➜ The investment return and entry age assumptions used for this purpose were not deemed reasonable.
- ➜ The proposed benefit suspensions were not equitably distributed across the participant and beneficiary population.
- ➜ The notices of the proposed benefit suspensions were not written so that they could be reasonably understood by the typical plan participant.

Treasury also commented that the Central States results are specific to the Central States application and each succeeding application will be reviewed on its own merits.

The decision could also have implications for the PBGC's multiemployer program. The PBGC wrote in its five-year report released earlier this year that the multiemployer program has a 43 percent risk of insolvency by 2024 and 91 percent risk of insolvency by 2032.

Actuaries Longevity Illustrator Launched

THE ACADEMY AND THE SOCIETY of Actuaries (SOA) released the **Actuaries Longevity Illustrator**, an easy-to-use online tool to calculate longevity risk. The illustrator, available for use by the public, provides the user with the likelihood of living various lengths of time, so that individuals and couples can better understand the risk of outliving their retirement income.

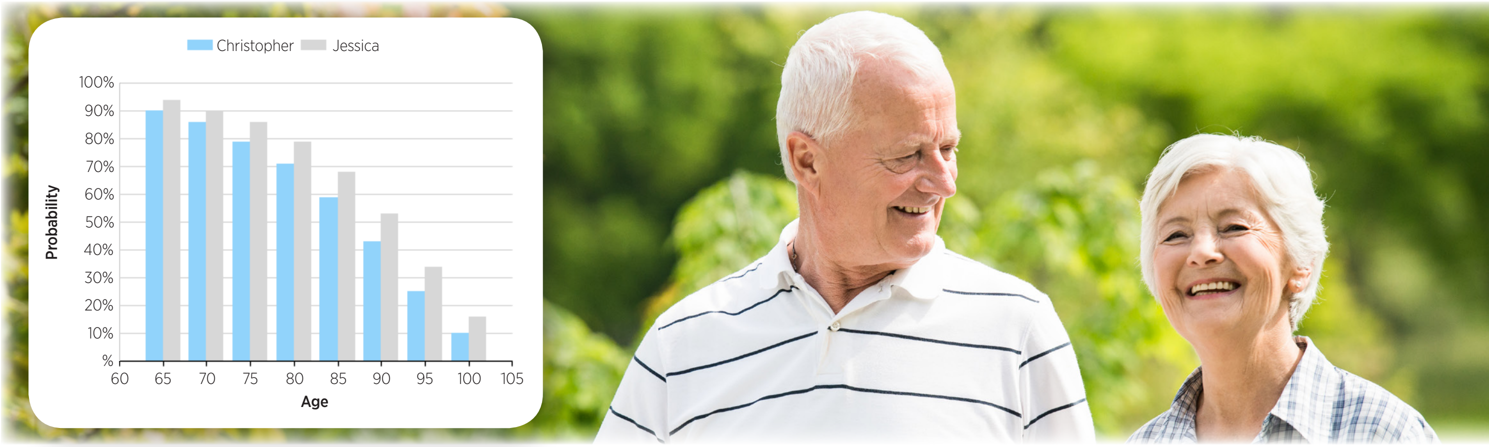
Since its release, the illustrator—which was widely publicized by news stories in a host of media publications including ***Time* magazine**, ***MarketWatch***, the ***Huffington Post***, ***Money Talks News***, and most recently ***Forbes***—has logged about 100,000 visits by users.

Estimates of life expectancy can be a single number coming from a single set of assumptions, and individuals may outlive that estimate. The Actuaries Longevity Illustrator provides a range of outcomes illustrating the uncertainty of longevity risk, and the Academy and SOA note that there is a significant financial risk involved in living longer. They note that retirement planning should include a range of situations and risks that may be encountered.

"The idea of making an interactive Actuaries Longevity Illustrator available as a public service began several years ago when the Pension Practice Council noticed that retirees, and those planning for their retirement, did not have access to information that objectively breaks down the nature of longevity risk that can be readily understood both from a conceptual standpoint and operationally for those who are considering retirement income options," said Ted Goldman, the Academy's senior pension fellow.

To use the Actuaries Longevity Illustrator, an individual or a couple enters basic information about themselves, such as their age, gender, and general health status. The tool generates easy-to-read charts showing the likelihood of living to certain ages. For instance, a couple can determine the chance of living a given number of years together as well as the likelihood that one or the other will survive additional years. While the illustrator helps analyze longevity risk, it does not take into account financial aspects of retirement planning.

Access the tool at **www.longevityillustrator.org**.



ASB Approves Second Exposure Draft on Proposed Pension Risk ASOP, Third Exposure Draft on Proposed Modeling ASOP

THE ACTUARIAL STANDARDS BOARD (ASB) approved a second exposure draft of a proposed new actuarial standard of practice (ASOP), ***Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions***.

Key changes to the second exposure draft include expanding the scope of the proposed ASOP from applying only to actuaries when performing a funding valuation of a pension plan to applying also to actuaries when performing a pricing valuation of a proposed pension plan change that would, in the actuary's professional judgment, significantly change the types or levels of risks of the pension plan. In addition to other modifications, the scope also was modified to exclude actuarial services performed in connection with applications for benefit suspensions under the Multiemployer Pension Relief Act of 2014.

The ASB also approved a third exposure draft of a proposed new ASOP titled ***Modeling***. Among the several modifications to the draft, key changes include narrowing the scope but, within that scope, making the guidance less subject to professional judgment as to its applicability; clarifying the definitions for "model," "data," and "model run"; and clarifying guidance with respect to using models designed or built by others.

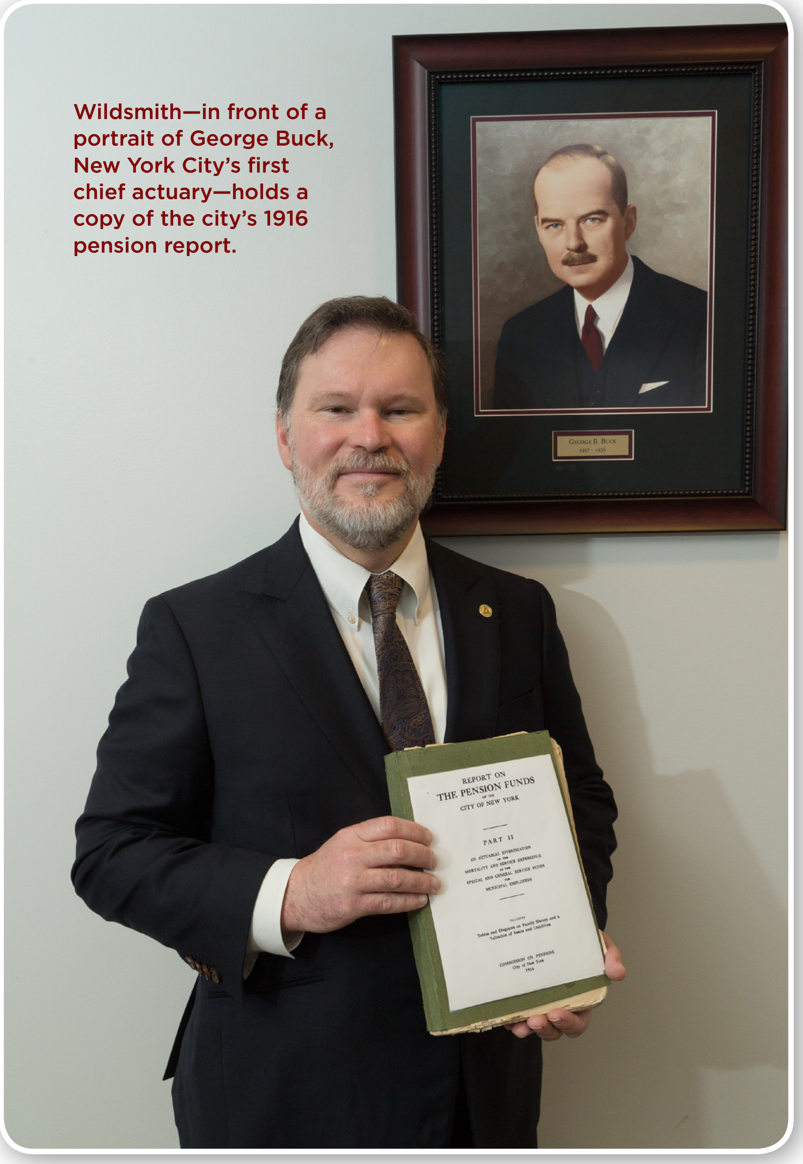
The **comment deadline** for both exposure drafts is Oct. 31; information on how to submit comments can be found in the drafts.

Academy Helps NYC Honor 100 Years of Actuarial Public Service and Professional Excellence

ACADEMY PRESIDENT Tom Wildsmith participated in a New York City Office of the Actuary dedication ceremony on May 16 commemorating the centennial of the city's Pension Commission investigation, *Report on the Pension Funds of the City of New York, Part II.*

"The report we are commemorating was a remarkable technical achievement," Wildsmith said. "But that's not where its greatest significance lies. It is a landmark example of a dedicated actuary harnessing the tools and techniques of actuarial science in direct service to the public. It was a professional achievement, in all the best senses of that word."

Wildsmith honored the chief actuaries and cited their work as an inspiring example of public service and professional excellence, and praised them for creating a "legacy of professionalism."


George B. Buck
REPORT ON
THE PENSION FUNDS
OF THE
CITY OF NEW YORK
PART II
AN ACTUARIAL INVESTIGATION
OF THE
MORTALITY AND SERVICE EXPERIENCE
OF THE
SPECIAL AND GENERAL SERVICE FUNDS
FOR
MUNICIPAL EMPLOYEES
INCLUDING
Tables and Diagrams on Family History and a Valuation of Assets and Liabilities
COMMISSION ON PENSIONS
City of New York
1916

Wildsmith—in front of a portrait of George Buck, New York City's first chief actuary—holds a copy of the city's 1916 pension report.

The origin of their legacy dates back to at least 1913, when New York City had a pension problem and decided to take steps to address it. A biography of the city's first chief actuary, George Buck, describes the issue this way: "The nine pension funds of the city were in chaotic condition at that time. Pension legislation had been developed largely on the initiative of employees; those groups of employees with the strongest political backing had the most liberal benefits."

In response, Mayor William Jay Gaynor appointed a city Pension Commission, whose groundbreaking work to assess and reform the city's pension systems included a series of reports. Among them was the 1916 report, which was the first complete actuarial investigation of the systems. It outlined principles for reorganizing the systems and providing actuarial funding.

Other speakers at the centennial celebration included John Adler, director of the Mayor's Office of Pensions and Investments and chief pension investment advisor; City Comptroller Scott Stringer; New York City Chief Actuary Sherry Chan; and representatives of other actuarial organizations. Two former chief actuaries and family members of the city's two deceased chief actuaries also were in attendance.

Capturing and formalizing the spirit of professionalism has been a major undertaking of the U.S. actuarial profession during the hundred years since that report was published, Wildsmith noted. "We have built a professionalism infrastructure that includes a code of conduct, standards of practice, and disciplinary processes. The Academy was established to create this infrastructure, which plays a vital role in assuring the public that we can, as a profession, be trusted. But as important as these standards and institutions are—and I'm very proud of them—the heart of professionalism remains the commitment of the individual actuary to doing the right thing."

Comptroller Stringer presented Chan with an official city commendation for "a century of devoted work delivering actuarial information and services for the New York City retirement systems." The commendation recognizes the essential services and contributions of the office to the city's employees, its retirement funds and systems, and the city as a whole. Actuarial artifacts from the past hundred years, including an original copy of the 1916 report, were assembled as part of the centennial dedication and are on display in the Office of the Actuary. ▲

Issue Brief Looks at Helping the 'Old-Old' via Social Security

AN ACADEMY SOCIAL SECURITY COMMITTEE **issue brief** looks at options to change Social Security to address possible concerns and financial needs of older Americans who live beyond their estimated life expectancy but lack adequate resources.

The issue brief notes that retirees' lifespans have been increasing in the past few decades, resulting in older segments of the U.S. population increasing in both absolute numbers and as a percentage of the population. While a positive development, greater longevity poses some challenges that could be addressed by policy changes such as targeted benefit supplements, longevity benefit riders, and changes to the Social Security Normal Retirement Age.

"Social Security may be the best tool for addressing this potential problem if the program is to continue to support retirees—including the old-old—in an effective manner," the issue brief concludes.

Pension Committee Sends Comments on Improving Availability of IRS Actuaries to Profession

THE ACADEMY'S PENSION COMMITTEE released a **comment letter** on the decision by the IRS to limit pension actuaries' ability to interact with IRS actuaries and other experienced employee benefits personnel.

"We understand that these decisions may stem from time and budget constraints. We do not believe, however, that the inability of pension actuaries to interact with appropriate IRS personnel will result in cost-effective outcomes," the letter states. "U.S. retirement systems are exceedingly complex, and the ability of pension actuaries and the IRS to exchange timely, useful information is vital to the smooth operation of the systems."

The committee cites the IRS' "Questions to IRS/Treasury and a Summary of Their Responses"—or "Gray Book"—which it said "is an excellent example of how the IRS has benefited through saving time and effort through collaboration with practitioners," noting the most recent accumulated Gray Books contain well over 1,000 answers to real-life questions and are read by more than 1,000 actuaries each year. (The Gray Book was **eliminated earlier this year**.)

The availability of such information likely eliminated the need for a significant number of formal requests for guidance, or decisions to proceed without advice, which would have resulted in potential errors, the letter states.

Pension Committee Engages With IRS, Treasury, PBGC

THE PENSION COMMITTEE submitted a **comment letter** to the Pension Benefit Guaranty Corp. (PBGC) expressing appreciation for proposed regulations providing a reduction or partial waiver of the penalty due upon the late payment of premiums to the single employer and multiemployer insurance programs.

"This is a welcome change that we believe will continue to support the goals of timely payment of premiums when due and voluntary self-correction when the payment deadline is missed," the committee states.

Separately, the committee submitted a comment letter to the IRS and Treasury Department requesting that the 2017 Applicable Mortality Tables be issued as soon as possible, adding that it is "concerned that plan sponsors, plan administrators, and plan participants will not have sufficient time to consider the consequences of changes if finalized later than July 31, 2016." (The IRS subsequently announced Sept. 2 that the current mortality table basis for defined benefit pension plans will be extended through 2017.)

Pension Committee Submits Comments to IRS on Closed DB Plans

THE PENSION COMMITTEE **submitted comments** to the IRS regarding the proposed regulations for nondiscrimination relief for closed defined benefit (DB) plans.

The proposed regulations provide that plans that were in compliance with the applicable nondiscrimination rules at the time they were closed should be allowed to continue to provide benefit accruals to the participants in those plans for as long as possible, the letter states. It adds that the proposed regulations will provide relief for some employers and help stem the trend toward fully freezing pension plans.

But the letter notes that many plan sponsors will not be able to use the closed plan rules for a variety of reasons, and the committee suggests that the regulations need to go further in order be effective.

In addition, it says, certain aspects of the regulations, if implemented as proposed, could have unintended consequences that will likely lead to more plan freezes and terminations, further eroding the retirement security of the workforce.

Intersector Group Releases Notes of Meetings With IRS, Treasury Department, PBGC

THE INTERSECTOR GROUP released the **notes** of its March meeting with the Treasury Department and IRS, and the **notes** of its March meeting with the Pension Benefit Guaranty Corp. (PBGC).

The Intersector Group—comprised of members of the Academy, Society of Actuaries, Conference of Consulting Actuaries, and ASPPA College of Pension Actuaries—meets twice a year with representatives of the IRS/Treasury Department and with the PBGC to discuss regulatory and other issues affecting pension practice.

With IRS and Treasury, the group discussed reasonable actuarial equivalence; additional guidance under Code Sections 430 and 436; automatic approvals for changes in funding method and discount rate election; Employee Plans Compliance Resolution System; mortality basis change and "partial credibility" rules for use of adjusted mortality tables; vested terminated participants over normal retirement age, or beyond the required beginning date, in coordination with the Department of Labor's enforcement initiative; Multiemployer Pension Reform Act of 2014 suspensions; hybrid plans; and post-Gray Book interaction with the actuarial community and plan sponsors.

At the PBGC meeting, the group discussed whether it should anticipate any changes in priorities with PBGC's new leadership, even though new PBGC Director Tom Reeder was unable to attend the meeting. It also discussed experience under new reportable events rules, especially in regard to post-event reporting; 4010 final regulations; prospects for 4062 regulations; the group's appreciation of the timely adoption of regulations on multiemployer partitions; prospects for multiemployer "facilitated merger" guidance; and an update on review of PBGC actuarial assumptions and timing of changes.

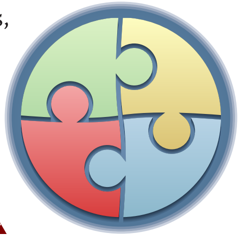
Multiemployer Subcommittee Sends Comments on Mergers, Transfers

THE MULTIEMPLOYER PLANS Subcommittee released a **comment letter** on the Pension Benefit Guaranty Corp.'s (PBGC) proposed rule on mergers and transfers between multiemployer plans.

The multiemployer system has changed dramatically since the original issuance of regulations on mergers and transfers; in particular, the concept of plan "solvency" has significantly different implications now than it did in the past, the letter states, noting that prior to the 2008 financial crisis and subsequent recession, few plans faced immediate or projected insolvency. Now, a significant minority of them—mostly, plans certified to be in "critical and declining" status—have serious solvency issues that must be addressed.

When very few multiemployer plans faced the possibility of near-term insolvency, it may have made sense to prohibit mergers and transfers unless each plan existing after the transaction was projected to satisfy stringent tests based on minimum asset, cash flow, and funding threshold requirements. But, the letter states, times are quite different now, and the focus "should instead be on promoting mergers and transfers between multiemployer plans that postpone projected insolvencies, increase benefit security for plan participants and beneficiaries, and reduce expected long-term losses for PBGC's multiemployer program."

The letter also offers specific comments and proposed changes on the subjects of solvency requirements for mergers and transfers, actuarial certification for a financial assistance merger, and annual determinations for continued suspensions following a merger.



Lifetime Income Risk Joint Task Force Comments to Labor Department

THE LIFETIME INCOME Risk Joint Task Force submitted a comment letter to the Department of Labor (DOL) concerning proposals for increasing retiree income options, with a focus on additional safe harbors that encourage delivering lifetime income.

The letter notes that risks in securing stable retirement income have increased as a result of employers shifting more retirement savings from defined benefit plans to defined contribution (DC) plans, with retirees in DC plans expected to assume both the investment and the longevity risk. Through recent regulations, it states, DOL has helped participants access improved fiduciary investment advice under qualified retirement plans.

Although current rules permit employers to provide DC plan retirees with the option to either purchase income annuities or take a structured withdrawal program, rarely do employers offer these options in practice, the task force letter notes, with a primary reason being the concern of additional fiduciary liability employers would assume by expanding plan options. While the current safe harbor guidelines set out a process for selecting providers and products, many plan sponsors believe that the guidance the DOL offers for selecting annuities within DC plans is not sufficiently clear. Also, it notes, the department currently has no guidance that governs structured withdrawal programs.

Additionally, the task force believes plan sponsors could provide much more robust and useful participant education, but their willingness to do so is also limited due to fiduciary liability concerns.

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ways to strengthen retirement security; and focus on emerging pension-plan designs. Attendees can earn organized activity continuing education (CE) credits, as well as professionalism CE credits.

Agenda highlights and more are available on the Academy's website, including information about the other keynote and plenary speakers: former Sen. Chris Dodd, Congressional Budget Office Director Keith Hall, Oregon Insurance Commissioner Laura Cali., and Andy Slavitt, acting administrator at the Centers for Medicare & Medicaid Services.

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