

EAR

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

ENROLLED ACTUARIES REPORT

VOL.33 NO.4 WINTER 2008

EAR Hears the Presses for Final Time

AS ANNOUNCED IN THE OCTOBER ISSUE of the *Actuarial Update*, after 33 years of providing reliable Academy pension news and analysis, the *Enrolled Actuaries Report* is joining other Academy publications in a permanent move to the World Wide Web. As such, this is the last issue of the *EAR* that will be delivered to your doorstep. Starting with the spring issue, that same news will be delivered to your inbox as a link to a PDF file of the *EAR* on the Academy website.

As part of the Academy's planned comprehensive redesign of its website, the *EAR* will eventually find its new

home as an HTML-formatted, online quarterly newsletter. When each new issue goes live, the Academy will send out an e-mail featuring a preview of the new stories with embedded links that will bring readers directly to the *EAR*'s online home page.

As Academy members—like most Americans—increasingly look to the Internet for their information, the improved electronic delivery of the *EAR* will enable the Academy to communicate to the pension community quicker, better, and at less cost—while reducing its carbon footprint and bagging those pesky plastic wraps.

The online overhaul of Academy communications will extend to other member publications, as the *Actuarial Update*, the *Yearbook*, and the leadership manual will all be fully electronic. *Contingencies* will continue to be mailed in hard copy to its full circulation, though electronic access to the magazine's contents will also be improved in the same fashion as other Academy publications.

Thank you to all who contributed to the *EAR*'s success over the years, whether as volunteer authors or as loyal readers. We look forward to connecting with you in cyberspace next spring. ▲

Inside this issue

- 2 IRS Testimony on Accrual Rules
- 3 All Eyes on Mark-to-Market
- 4 2009 Covered Compensation Tables
- 5 2009 Social Security Figures
2009 IRS Pension Limits
- 6 Caution to IASB Proposal
- 8 In Memoriam: Edward Burrows

Academy Encourages Public Plans Dialogue

Public Interest Committee Report Seeks ASB Action

FINANCIAL DISCLOSURES IN PUBLIC PENSION PLANS have been at the center of forceful debate throughout the past year, as a variety of stakeholders have raised questions—and pushed arguments—about what measures are appropriate and responsible to disclose in actuarial reports. At the heart of the at-

times-heated dialogue is disagreement over the importance and appropriateness of disclosing the market value of assets and liabilities (MVA, MVL) for public pension plans.

With the actuarial profession providing a key perspective in the divisive public policy debate,

PUBLIC PLANS, PAGE 7 >



Invited panelists answer questions at the Public Interest Committee's Sept. 4 public forum.

ENROLLED ACTUARIES REPORT

EDITOR

Tom Terry

CONTRIBUTING EDITORS

Andrew Eisner
Bruce Gaffney
James Kenney
Diane Storm
James Turpin

MANAGING EDITOR

Tim Dougherty
editor@actuary.org

MARKETING AND PUBLICATIONS

PRODUCTION MANAGER
Cindy Johns

PUBLICATION DESIGN AND PRODUCTION

BonoTom Studio Inc.

AMERICAN ACADEMY OF ACTUARIES

PRESIDENT

John Parks

PRESIDENT-ELECT

Bruce Schobel

SECRETARY-TREASURER

Andrea Sweeny

VICE PRESIDENTS

Al Bingham
Thomas Campbell
Gary Josephson
James Rech
Kathleen Riley
Tom Terry

EXECUTIVE DIRECTOR

Grace Hinchman

DIRECTOR OF COMMUNICATIONS

Steven Sullivan

ASSISTANT DIRECTOR FOR PUBLICATIONS

Linda Mallon

©2008 The American Academy of Actuaries, 1100 Seventeenth Street, NW, Seventh Floor, Washington, DC 20036, 202-223-8196 (phone), 202-872-1948 (fax), www.actuary.org. Statements of fact and opinion in this publication, including editorials and letters to the editor, are made on the responsibility of the authors alone and do not necessarily imply or represent the position of the American Academy of Actuaries, the editor, or the members of the Academy.

Segal Addresses Accrual Rules at IRS Hearing

DONALD SEGAL, A MEMBER OF THE ACADEMY'S PENSION COMMITTEE, reaf-

firmed the committee's views in his testimony Oct. 15 to the Internal Revenue Service (IRS) on accrual rules under Section 411(b) of the Internal Revenue Code as it relates to a proposed IRS regulation (REG-100464-08). His testimony was based on a letter the committee sent to the IRS several weeks earlier.

Sec. 411(b)(1) of the code specifies that a defined benefit plan's formula must meet one of three testing methods. The accrual rules are designed to prevent the "backloading" of benefits; otherwise, the vesting rules could be effectively circumvented. One option is that the formula must provide that the participant accrue at least 3 percent of his/her projected benefit each year (the 3 percent rule). The second restricts the rate of accrual for any year to not more than 133 1/3 percent of the rate of accrual in any prior year (the 133 1/3 percent rule). The final method requires at least a pro rata accrual of the projected benefit for each year of credited service (the fractional rule).

In his testimony, Segal, former Academy vice president for pension issues, highlighted the

committee's position that the proposed regulation represents a positive step in addressing a design concern critical to many defined benefit plans. However, he also took issue with an element in the proposed rule that suggested that in a greater-of formula structure, each benefit formula must satisfy the 133 1/3 percent test independently without regard to the other two accrual rule tests. Segal said that separate testing should be permitted without limiting it to one particular test and that each separate formula should not be required to use the same testing method.

"We believe that the situation could be addressed by including in the final regulations language that effectively states that if a plan provides a benefit that is the greatest of two or more formulas, and each formula by itself satisfies the requirements of this paragraph, then the plan shall be deemed to satisfy the requirements of the paragraph," Segal said.

Segal also touched upon the proposed regulation's requirement that each formula be based upon a "different basis" and characterized this requirement as very unclear. The committee stated in its letter that the different basis requirement has no foundation in the code and

is unnecessary, particularly if the regulations contain an

overriding anti-abuse clause.

"That anti-abuse clause may be the most powerful tool you have," said Segal.

In addition, Segal asked the IRS for clarification on the "different basis" requirement. Segal further suggested that the IRS also provide actuaries with clarification on testing procedures under the 133 1/3 percent rule, specifically with regard to interest rates for cash balance plans and plan amendments in wear-away situations.

As the last of five speakers to testify at the hearing, Segal endorsed many of the comments made by earlier speakers, including Academy members Christine Mahoney, representing her employer, Mercer Human Resources Consulting, and David Godofsky, representing his employer, the law firm Alston & Bird LLP.

Segal, who has testified to the IRS for the Academy on three other occasions this year, concluded by offering the continued service of the Pension Committee as a resource to regulators as they develop the final regulation, which is not expected to be completed before the end of the year.

—JESSICA THOMAS

Mark-to-Market Valuation at a Crossroads?

THE MOVE TOWARD MARK-TO-MARKET VALUATION for pension plans has seemed inexorable in recent years and has progressed across the entire pension landscape—whether the terrain has been accounting or funding, private or public, national or international. Now, for the first time, we're seeing significant resistance. Will this moment be just a slowing down of a continued advance? A pause? A partial reversal?

First, let's sketch out the advances in mark-to-market valuation to date.

The issuance of Financial Accounting Standard (FAS) No. 87 in 1985 introduced limited market value concepts to pension accounting, although it retained many of the long-term smoothing concepts of the traditional actuarial model. The regime of FAS Nos. 87, 88, and 132 held sway through 2006, when Phase I of the Financial Accounting Standards Board's (FASB) overhaul of pension accounting was completed with the issuance of FAS 158. The new standard brought a version of full mark-to-market accounting to the balance sheet—although many actuaries have argued that the approach has flaws, such as its reliance on the projected benefit obligation rather than the accumulated benefit obligation.

Phase II of FASB's project is in progress, and the expectation is that mark-to-market accounting concepts will eventually be applied to all areas of the financial statements, which the International Accounting Standards Board (IASB) and FASB have begun the process of redesigning. The new design would clearly distinguish between the operational, investing, financing, and revaluation sources of changes in fair value and may ultimately result in changes in how pension data are reported. Meanwhile, parallel strides have been made internationally with the issuance of the U.K.'s Financial Reporting Standard No. 17 and amendments to International Accounting Standard No. 19, as well as with the IASB and FASB's work toward convergence to a uniform set of global, fair-value-based accounting standards.

On the funding side, the 1987 passage of the Omnibus Budget Reconciliation Act (OBRA 87) inserted limited market value concepts into the Employee Retirement Income Security Act (ERISA) funding model through the new current liability measure. The Pension Protection Act of 2006 (PPA) went much further, tightening smoothing on both the asset and liability sides, focusing on accrued benefits only, and eliminating the asset return assumption.

In the public plans arena, traditional practices are being questioned for the first time, with the Academy hosting panels to examine the usefulness of adding the market value of liabilities to the other disclosed information and referring the matter to the Actuarial Standards Board (ASB) for consideration. (See Page 1.)

More broadly, financial economics has emerged in the past decade or so as a prominent market-based school of thought in the pension actuarial profession, challenging the one-time

dominance of the traditional long-term actuarial cost model. It remains one of the tests of our profession to see if we can make this a healthy debate, finding value in both schools of thought and seeking common ground to advance actuarial practice while avoiding polarizing labels.

Now, let's look at the resistance that has formed against the application of mark-to-market concepts and the potential resistance still to come.

In the public plans arena, the defense of the traditional actuarial model has been passionate. One need only read the written comments submitted for the Academy's Sept. 4 forum (available on the Academy's website) or the letters submitted in response to the ASB's request for comments on Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* (available on the ASB's website, www.actuarialstandardsboard.org), to appreciate the intensity of the debate. Although the September forum was set up to address the narrow issue of disclosure of an additional liability measure—not as an assessment of the traditional actuarial model or a debate about funding or accounting—discussing the possibility of injecting a single additional mark-to-market measure was by itself enough to stir rousing discourse.

The economic crisis has led some to question the more market-based orientation of the PPA out of concern about potential spikes in required contributions while the economy is in recession or depression. As this article was going to press, the lame-duck session of Congress was considering relief. Much of the focus so far has been on technical corrections and short-term relief, but that could expand to reconsideration of some of the components of PPA.

In addition, the financial bailout bill passed by Congress in September requires the Securities and Exchange Commission (SEC) to conduct a study of mark-to-market accounting standards (as they apply to financial institutions) and to report back before the end of 2008. (Written comments to the SEC can be posted and viewed on the SEC website, www.sec.gov/comments/4-573/4-573.shtml.) The bailout bill also grants the SEC authority to suspend FAS 157. It should be noted that FAS 157 merely gives guidance on how to determine fair value (usually market value but can be determined by other means when a market doesn't exist or is inactive), where such fair value is called for by other FASB standards. In October, FASB issued Staff Position 157-3 to clarify the application of FAS 157 in determining fair value for a market that is not active.

More broadly, a new Congress and administration take office in January, and a thorough review of all aspects of financial regulation can be expected. Critical issues of transparency and solvency are at stake. It should be an interesting year.

FRANK TODISCO is the Academy's senior pension fellow.

Updated Social Security and IRS Amounts for 2009

Covered Compensation, 2009

2009 WAGE BASE \$106,800

YEAR OF BIRTH	AGE IN 2009	SSRA	YEAR OF SSRA	COVERED COMPENSATION ROUNDED TO			
				\$1*	\$12	\$600**	\$3,000
1942	67	66	2008	53,954	53,952	54,000	54,000
1943	66	66	2009	56,629	56,628	56,400	57,000
1944	65	66	2010	59,277	59,268	59,400	60,000
1945	64	66	2011	61,891	61,884	61,800	63,000
1946	63	66	2012	64,471	64,464	64,200	63,000
1947	62	66	2013	67,017	67,008	67,200	66,000
1948	61	66	2014	69,414	69,408	69,600	69,000
1949	60	66	2015	71,726	71,724	72,000	72,000
1950	59	66	2016	73,929	73,920	73,800	75,000
1951	58	66	2017	76,054	76,044	76,200	75,000
1952	57	66	2018	78,086	78,084	78,000	78,000
1953	56	66	2019	80,057	80,052	79,800	81,000
1954	55	66	2020	81,977	81,972	82,200	81,000
1955	54	67	2022	85,629	85,620	85,800	87,000
1956	53	67	2023	87,394	87,384	87,600	87,000
1957	52	67	2024	89,074	89,064	88,800	90,000
1958	51	67	2025	90,660	90,660	90,600	90,000
1959	50	67	2026	92,186	92,184	92,400	93,000
1960	49	67	2027	93,651	93,648	93,600	93,000
1961	48	67	2028	95,057	95,052	94,800	96,000
1962	47	67	2029	96,377	96,372	96,600	96,000
1963	46	67	2030	97,680	97,680	97,800	99,000
1964	45	67	2031	98,940	98,940	99,000	99,000
1965	44	67	2032	100,123	100,116	100,200	99,000
1966	43	67	2033	101,220	101,220	101,400	102,000
1967	42	67	2034	102,197	102,192	102,000	102,000
1968	41	67	2035	103,071	103,068	103,200	102,000
1969	40	67	2036	103,826	103,824	103,800	105,000
1970	39	67	2037	104,451	104,448	104,400	105,000
1971	38	67	2038	105,017	105,012	105,000	105,000
1972	37	67	2039	105,557	105,552	105,600	105,000
1973	36	67	2040	106,037	106,032	106,200	106,800
1974	35	67	2041	106,397	106,392	106,200	106,800
1975	34	67	2042	106,663	106,656	106,800	106,800
1976	33	67	2043	106,800	106,800	106,800	106,800

These four tables list updated figures for IRS pension limits, Social Security amounts, covered compensation, and PBGC premiums for 2009. The covered compensation numbers are an advance calculation. At press time, the IRS had not yet issued official numbers.

Andrew Eisner of Buck Consultants Research Department compiled the tables.

PBGC Premiums

2009

2008

Single-employer Plans:

Flat-rate premium (per participant) \$34.00 \$33.00

Variable-rate premium \$9 per \$1,000 of unfunded vested benefits \$9 per \$1,000 of unfunded vested benefits

Multiemployer Plans:

Flat-rate premium (per participant) \$9.00 \$9.00

* Represents exact average of wage bases, as permitted by law and regulations.

** After 1993, IRS does not authorize the use of covered compensation tables rounded to \$600 multiples under 401(l). Thus, integrated plans using this table are not safe-harbor plans.

Social Security—2009 Figures

On Oct. 16, the Social Security Administration announced updated figures for 2009.

Wage Base The maximum amount of earnings taxable in 2009 is \$106,800 for Social Security purposes.

COLA The cost-of-living increase in benefits is 5.8 percent, first applicable to December 2008 benefits, payable in January 2009.

Wage Index The average annual wage figure of \$40,405.48 will be used in computing benefits for workers who become eligible in 2009. This figure is based on data for the last complete year (2007) and was used to determine other wage-indexed numbers given in the table below.

FACTOR	2009	2008
Wage base:		
for Social Security	\$ 106,800	\$ 102,000
for Medicare	No Limit	No Limit
old-law wage base, for indexing PBGC maximum, etc.	\$ 79,200	\$ 75,900
Cost-of-living increase (applies to December benefits, payable in January)	5.8%	2.3%
Average annual wage (based on data two years earlier)	\$40,405.48	\$38,651.41
PIA formula, 1st bend point	\$ 744	\$ 711
PIA formula, 2nd bend point	\$ 4,483	\$ 4,288
Maximum family benefit, 1st bend point	\$ 950	\$ 909
Maximum family benefit, 2nd bend point	\$ 1,372	\$ 1,312
Maximum family benefit, 3rd bend point	\$ 1,789	\$ 1,711
Retirement test exempt amount (annual)		
below SSNRA	\$ 14,160	\$ 13,560
year of SSNRA	\$ 37,680	\$ 36,120
Wages needed for one quarter of coverage	\$ 1,090	\$ 1,050
FICA (employee) tax rate:		
Social Security (OASDI)	6.20%	6.20%
Medicare (HI)	1.45%	1.45%
Total	7.65%	7.65%
SECA (self-employed) tax rate, total	15.30%	15.30%

IRS Pension Limits for 2009

Principal Limits

IRC	LIMIT	2009 ROUNDED	2008 ROUNDED	2009 UNROUNDED	NEXT INCREMENT	% INCREASE NEEDED
415(b)(1)	Defined benefit plan limit	\$195,000	\$185,000	\$197,360	\$200,000	1.3%
415(c)(1)	Defined contribution plan limit	49,000	46,000	49,340	50,000	1.3%
401(a)(17)	Limit on includible compensation *	245,000	230,000	246,700	250,000	1.3%
402(g)(1)	Limit on 401(k)/403(b) elective deferrals	16,500	15,500	16,707	17,000	1.8%
414(q)	HCE definition	110,000	105,000	111,472	115,000	3.2%
414(v)(2)	401(k)/403(b)/457(b) Catch-up deferral limit	5,500	5,000	5,569	6,000	7.7%

Other Limits

IRC	LIMIT	2009 ROUNDED	2008 ROUNDED	2009 UNROUNDED	NEXT INCREMENT	% INCREASE NEEDED
457(b)	Limit on nonqualified deferrals	\$16,500	\$15,500	\$16,707	\$17,000	1.8%
416(i)	Top-heavy key employee definition	160,000	150,000	160,355	165,000	2.9%
409(o)(1)(C)	ESOP payouts, five-year limit	985,000	935,000	986,800	990,000	0.3%
409(o)(1)(C)	ESPO payouts, additional one-year limit	195,000	185,000	197,360	200,000	1.3%
408(k)(2)(C)	SEP pay threshold	550	500	555	600	8.1%
132(f)(2)(A)	Commuter/transit limit	120	115	121	125	3.3%
132(f)(2)(B)	Parking limit	230	220	230	235	2.2%

* Governmental plans have special rules for eligible participants as defined in OBRA '93.

Tracking Accounting Developments Abroad

Academy Voices Concerns With IASB Proposal

WHILE THE ACADEMY HAS ACTIVELY LED DISCUSSIONS throughout the past year to seek ways to provide better, more comparable information in financial statements for U.S. pension plans, it has also been keeping tabs on similar discussions overseas.

Several weeks after the Academy hosted a forum in Washington to discuss public pension disclosures, the Academy's Committee on Pension Accounting sent comments to the International Accounting Standards Board (IASB) on a discussion paper that suggested changes to improve accounting and comparability among pension plans. The discussion paper reviewed potential changes in the following key areas:

- Recognition and presentation of pension liabilities—including immediate balance sheet recognition of all pension liabilities and assets (like Financial Accounting Standard No. 158) and several alternatives for modifying the expected return on plan assets component of expense;
- A new categorization of pension promises that would divide pension promises between defined benefit (DB) and “contribution-based”—and apply different, market-focused accounting to contribution-based promises; and
- New accounting for plans that have a “higher-of” option—for example, mixed plans that provide the benefit as the greater of a traditional DB formula and a traditional defined contribution (DC) benefit.

Although it expressed support for balance sheet recognition of liabilities, in its Sept. 26 letter, the committee voiced significant objections to how the rules for contribution-based promises would apply to U.S. pension plans, asserting that they would actually lead to less comparability among the financial statements of U.S. pension plans.

While the proposed classification was intended to offer clear boundaries and rules for those plan designs, such as cash balance plans, that are stuck in the gray area between DB and DC plans, the committee did not agree and felt that the proposal would instead turn two categories of plans into three—traditional DB, contribution-based, and traditional DC—and consequently replace the current single gray area with two, one at each boundary.

Most of the concern stemmed from a definition the committee said was much too broad.

“The definition of a ‘contribution-based promise’ has been expanded beyond the

usual understanding of that term and would apply to common U.S. designs (career-pay, flat-dollar, and frozen plans) that are not among the ‘troublesome’ plans that motivated this limited-scope project,” the letter said.

The committee argued that many common designs, like career-pay or flat-dollar, do not pose any difficulty under existing accounting standards and are much closer to final-pay plans than to true DC plans. In practice, the letter, signed by outgoing committee chairperson William Sohn, said that many, and possibly most, pension plans in the U.S. could potentially need to be reclassified under the rules of the discussion paper. Those would include not only cash balance plans but also others that “are clearly not contribution-based under any common understanding of the term.”

Instead, the letter suggested narrowing the definition of a contribution-based promise to include only those promises that depend on actual asset returns. The committee also suggested that promises based on the greater of two benefits be analyzed individually and that the accounting method be appropriate to the particular facts and circumstances.

“Contribution-based promises,” the committee said, “should include only those promises that are expressly linked to the actual return on specific assets and for which the employer has no further obligation, risk, or reward related to the performance of those assets.”

The committee also noted that the proposal would reduce comparability by assigning different values to identical annuity streams depending on whether they were derived from a contribution-based or a DB promise during the accumulation phase.

Despite its objections to the proposed rules for contribution-based promises and higher-of plans, the committee expressed support for proposals to recognize the fair value of assets and obligations in the balance sheets of DB plans. ▲



PUBLIC PLANS, FROM PAGE 1

the Academy—and its Public Interest Committee—has taken the reins on this issue in the past year as it has carefully but deliberately attempted to lead constructive dialogue among the array of competing views held by actuaries, economists, plan trustees, elected officials, and other interested parties. Twice this year, the Academy has invited those interested parties to discuss issues critical to public plans. First, at a Feb. 6 roundtable in New York hosted by the Pension Practice Council, 44 stakeholders discussed issues related to public plan governance, investment, and funding—including the place for MVA and MVL in actuarial reports. In May, with these issues still the subject of public scrutiny, the Academy board charged the Public Interest Committee with determining whether it was in the public interest for public plans to disclose MVA and MVL. After a series of conference calls and meetings, the committee hosted a Sept. 4 public forum in Washington, where it invited 14 stakeholders representing various interested parties to discuss the merits of the Academy issuing such a statement.

After the committee's Sept. 11 follow-up meeting from the forum, it made a recommendation to the Academy's Board of Directors to urge the Actuarial Standards Board (ASB) to take expeditious action in developing clear standards for consistently measuring the economic value of plan liabilities and assets, while considering all possible consequences it may have on other practice areas. The Academy board then passed that recommendation at its Oct. 7 meeting in Phoenix.

In the Public Interest Committee's report, the eight members of the committee addressed a number of arguments presented at the forum. (All comments submitted for the forum, as well as the committee's report, are available at www.actuary.org/pension.asp.) Among these was the concern expressed by panelist David Wilcox, deputy director for the Federal Reserve Board's Division of Research and Statistics, over the practice of discounting projected plan benefits with interest rates based on the expected rate of return on the plan's assets. Wilcox argued that actuaries may be underrepresenting the plan's liabilities and potentially damaging the profession's credibility with economists and financial experts—an opinion held by a number of pension actuaries outside the public plans sphere.

"The fact of the matter is that state or local governments not being at risk of going bankrupt makes their obligations more secure, not less," said Wilcox, "and therefore implies that they should be discounted at rates that are appropriate for safe cash flows, not risky cash flows."

The committee's report also acknowledged the passionate opposition to MVL disclosure by public plan actuaries throughout the U.S. In addition to reminding the committee that the Academy's Public Plans Subcommittee previously rejected by a 13-2 vote a statement supporting the disclosure of MVL, one panelist also produced a petition signed by 177 members of the



Public Interest Committee member Bruce Schobel asks questions at the public forum on Sept. 4.

Academy who voiced the same opposition. In their view, because MVA and MVL are essentially liquidation types of valuations, their relevance to public plans—which are permanent in nature and don't face the risk of liquidation—hasn't been sufficiently established. Moreover, the use of a risk-free rate might produce an overly conservative valuation of plan liabilities or lead to funding volatility and uneven contribution rates.

One factor critical to the Public Interest Committee's deliberations in considering adopting a public interest advocacy statement was the internal disagreement on the issue within the actuarial profession. While some thought it was purely an accounting issue to be handled by the Government Accounting Standards Board (GASB), others thought it was something for the ASB to take up. Similarly, the committee considered whether the views on market value presented by Wilcox applied not just to public plans but to determining the economic value of any cash flow stream and had broader application than the committee's charge.

"Simply by raising this issue, there is an implication that plans that are disclosing their funding target in accordance with GASB standards are doing something wrong and fiduciaries are not providing the 'true number,'" said the committee in its report. "The public entities are relying on the profession to give them the correct numbers, and we believe it would be in the public interest to provide a consistent benchmark for plans to use as part of their disclosures to the public."

Because of the lack of agreement as to how best to calculate those consistent measures, the committee recommended referring the issue to the ASB. In addition to following through on that recommendation, the Academy board announced the creation of a new task force "to examine the broad array of public plan issues, both actuarial and non-actuarial." This task force will examine current public plan practices and refer information to the Public Interest Committee and other bodies.

Though the issues surrounding MVA and MVL have not yet been resolved, Academy Pension Practice Council Vice President Tom Terry is optimistic that the Academy's committed efforts to lead vigorous—though sometimes passionately oppositional—public dialogue will continue to play an essential role in enabling all stakeholders to work together to promote good public policy.

"I think the profession can be proud of how this issue is being handled," Terry said. "While there has been disagreement along the way, there has been huge opportunity for actuaries and non-actuaries alike to watch and even participate." ▲

In Memoriam

Edward E. Burrows

1932-2008

THE PENSION COMMUNITY LOST AN INVALUABLE LEADER in November with the death of Edward Burrows, a former Academy board member, former president of the American Society of Pension Actuaries (ASPA), and the first president of the College of Pension Actuaries (COPA). Burrows, a frequent *EAR* contributor, passed away days after his 76th birthday.

A longtime consulting actuary, Burrows was involved in all aspects of employee benefits throughout his career. He generously shared that expertise through his volunteer involvement, serving on numerous committees for the Academy and for the American Society of Pension Actuaries (now the American Society of Pension Professionals and Actuaries). He also served as vice chairperson of the Actuarial Standards Board and as a member of the Actuarial Board for Counseling and Discipline for six years.

"He was a pillar of the actuarial community," said Academy President John Parks. "He had high-level views and perspectives of the issues surrounding the actuarial profession."

Those ideas were on constant display, whether in testifying before congressional committees or forming new volunteer



projects. Though Burrows was highly respected among his colleagues for his intellect and commitment, he was beloved for his dry wit and disregard for pretension.

"Ed was always the quiet voice of reason," Parks said. "He was always on the side of teaching and education."

This special combination led to a number of awards for his service to the profession and to the pension system, including ASPA's Harry T. Eidson Founders Award in 1995 and the Academy's Jarvis Farley Service Award in 1998. He was also presented with the inaugural Edward E. Burrows Distinguished Achievement Award this year by COPA (now the ASPPA College of Pension Actuaries).

Burrows' project in retirement was to solve the traffic problems in Boston. To continue efforts he had begun, his family would like to see a study completed based on his ideas for the city. His wife, Tracy, requests that donations be made payable to the Boston Foundation c/o Beth Milkovits, 75 Arlington Street, Boston, Mass., 02116. In the memo section of the check please put "Ed Burrows Charitable Fund." ▲

Catch Up on New Rules, Brush Up on Old Ones

THE 2009 ENROLLED ACTUARIES MEETING will be held March 29 through April 1 at the Marriott Wardman Park Hotel in Washington. Two and a half years since the passage of the Pension Protection Act of 2006, enrolled actuaries still have a lot to learn. The 34th annual EA Meeting will offer a series of linked sessions addressing various aspects of pension plan funding and administration, reflecting the latest developments in legislation, regulation, and other guidance.

EA Meeting sessions will cover an array of issues, such as liability calculations, asset valuation methods, minimum required contributions, maximum deductible amounts, funding strategies, backloading rules, funding-based benefit restrictions, hybrid plans, and participant disclosure. Attendees can also find answers to many of the questions that remain as sweeping new funding rules continue to unfold.

The meeting will also feature recurring favorites, including a review of the Gray Book, late-breaking developments, and dialogues with representatives of the Treasury Department, the Internal Revenue Service (IRS), the Pension Benefit Guaranty Corp. (PBGC), and the Joint Board for the Enrollment of Actuaries. In addition, concurrent sessions will explore the challenges practitioners face in dealing with multiemployer plans, public plans, collectively bargained plans, and small plans. And for those looking to broaden their horizons, there will be sessions on deferred compensation, financial economics and liability-driven investing, retiree medical programs, accounting standards, and defined contribution plans.

As always, opportunities exist to explore professionalism issues with sessions on actuarial standards of practice and on the revised Qualification Standards that went into effect in 2008.

EA Meeting attendees will be able to

network with other actuaries and representatives from the IRS, the PBGC, and the Department of Labor—while having the opportunity to earn up to 18.9 hours of JBEA continuing education credit, according to the EA meeting's program committee. If that isn't enough, seminars are also available before and after the meeting, including a March 29 seminar on professional standards and an April 1 seminar on public plan funding. Finally, the EA Meeting will conclude with the 2009 Pension Symposium April 1-2. In light of the current market turmoil, the fourth annual symposium, "Monday Morning Quarterback," will review retirement policies of past decades to help identify potential solutions for the future.

Luncheon entertainment for the EA Meeting will include music and political satire by the Capitol Steps, the Washington-based troupe of congressional staffers turned songwriters. For more information, including early registration dates and prices, visit www.enrolledactuaries.org. ▲