Comment #1 – 7/27/16 – 6:54 p.m.

I applaud the work of the pension committee on this standard. Below are my comments on the questions asked:

1. Do you believe that the addition of contribution risk in section 3.3 is consistent with the risk definition in section 2.3? If not, how would you modify the definition in section 2.3? I would modify 3.3 so that the last phrase reads “or that material changes occur in the anticipated contribution base, for example number of covered employees or covered payroll”

2. Do you agree with the proposed guidance in section 3.6 that if, in the actuary’s professional judgment, a more detailed assessment would be beneficial for the intended user to understand the risks identified by the actuary, the actuary should recommend to the intended user that such an assessment be performed? Yes I agree however it is not clear to me why the size of the plan is in the list of considerations for whether or not the actuary makes the recommendation. If the actuary believes that such an assessment would be beneficial, why does the size of the plan matter? If the intent is materiality or cost/benefit due to size, I’d suggest making it more clear.

3. Do you believe that the guidance in section 3.8 regarding the disclosure of historical actuarial measurements or potential disclosure of other historical information to assist in understanding the risks associated with the plan is appropriate? If not, what changes would you suggest? Yes

Patricia E. Matson, FSA, MAAA
Partner
Risk & Regulatory Consulting, LLC