

Comments on the Exposure Draft of the Proposed Actuarial Standard of Practice No. 27: Selection of Economic Assumptions for Measuring Pension Obligations

July 31, 2018

The Actuarial Standards Board

The American Retirement Association (ARA) and the ASPPA College of Pension Actuaries (ACOPA) appreciates this opportunity to comment on the exposure draft of the Actuarial Standard of Practice (ASOP) on *Selection of Economic Assumptions for Measuring Pension Obligations*.

ARA is a national organization of more than 24,000 retirement plan professionals who provide consulting and administrative services for qualified retirement plans covering millions of American workers. ARA members are retirement professionals of all disciplines, including consultants, investment professionals, administrators, actuaries, accountants and attorneys. All credentialed actuarial members of ARA are members of ACOPA, which has primary responsibility for the content of comment letters that involve actuarial issues. The following are ACOPA's comments on the proposed actuarial standard of practice:

1. In the Background, the prior language in the first sentence of the Background stated the ASB provides "coordinated guidance". The word "coordinated" was removed in the Exposure Draft. **ACOPA recommends** the ASB should continue to refer to "coordinated guidance", as this better reflects the intention of the ASB to avoid conflicts between the ASOP's as well as to provide guidance on specific ASOP's.
2. Section 3.6.3 Phase-in of Changes in Assumptions uses the phrase "should select a reasonable economic assumption". **ACOPA recommends** this be replaced with "should consider a reasonable economic assumption" to indicate that the phase-in assumption is monitored along the phased path, but not necessarily changed each period.

This letter was prepared by the ASOP Task Force of the ACOPA Professionalism Committee, Lynn Young, Chair. If you have any questions, please contact Martin Pippins, Executive Director of ACOPA, at (703) 516-9300 ext. 146.

Thank you for your consideration of these comments.

Sincerely,

/s/

Lynn Young, MSPA,
Chair ASOP Task Force

/s/

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/s/

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