

Comment #46 – 11/14/14 – 7:31 p.m.

We are writing in response to the Actuarial Standards Board's (ASB) Request for Comments concerning the application of Actuarial Standards of Practice (ASOPs) in regards to public pension funding and accounting. The opinions provided below are our own and not necessarily that of our employer.

We feel it is important to distinguish between appropriate actuarial practice and appropriate plan governance with respect to public retirement systems. A discussion of appropriate actuarial practice is clearly within the purview of the ASB; determining appropriate governance is outside the ASB's scope.

The undersigned have a combined 90 years experience consulting to the private and public sector (both pensions and retiree healthcare plans), and have found there are both similarities and differences between public and private sector retirement systems. We feel that many of the similarities between public and private systems lie within the pension practice area, and that the majority of the differences can be considered governance based. Because of this we do not feel there should be distinct ASOPs for public and private retirement plans.

Both public and private prefunded retirement plans are subject to many of the same risks. We would like to see the ASB provide more guidance in the area of risk disclosure, along the lines of the June 2012 *Assessment and Disclosure of Risk* discussion draft.

Guidance from the ASB should continue to be primarily principles based. Guidance on pension plan actuarial practice should not be bifurcated between public and private systems. Again, there are far more similarities than differences between the two.

Finally, a requirement to provide "...useful information to individuals who are not intended users" is neither practical nor a prudent use of plan resources. Given the availability of public documents via Freedom of Information laws, the universe of individuals who might be considered "not intended users" is nearly boundless. And who is to determine what is useful information? How would the taxpayer (or contributing member, for that matter) feel about financing the cost of such additional disclosures?

Thank you for your consideration,

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