



3880 Salem Lake Drive, Suite H  
Long Grove, IL 60047-5292  
p: 847-719-6500

October 28, 2020

Qualification Standards Committee  
American Academy of Actuaries  
1850 M Street NW, Suite 300  
Washington, DC 20036

Re: Comments on Qualification Standards Exposure Draft

Dear Committee:

The attached comments were developed through the coordinated efforts of members of the Conference of Consulting Actuaries' (CCA) Public Plans Community and are being submitted to the Qualification Standards Committee by the Steering Committee of the CCA Public Plans Community. However, these comments do not necessarily reflect the views of the CCA, the CCA's members, or any employers of CCA members, and should not be construed in any way as being endorsed by any of the aforementioned parties.

The members of the CCA Public Plans Community represent a broad cross section of public-sector actuaries whose extensive experience with public plans provides the framework for our response. The membership includes over 50 leading actuaries whose firms are responsible for cost and liability measurements for the majority of public sector retirement systems. We believe the overall response reflects a substantial consensus among the actuaries who provide valuation and consulting services to public pension plans.

*Paul Angelo, FSA, FCA, MAAA, EA (By Direction)*

Chair of the Public Plans Community on behalf of the Public Plans Community Steering Committee

Public Plans Steering Committee

---

Paul Angelo, Chair  
Thomas B. Lowman, Vice Chair  
Brent A. Banister  
David L. Driscoll

William B. Fornia  
William R. Hallmark  
David Lamoureux  
Brian B. Murphy

Mark Olleman  
James J. Rizzo  
Todd N. Tauzer  
Lance J. Weiss  
Elizabeth A. Wiley



3880 Salem Lake Drive, Suite H  
Long Grove, IL 60047-5292  
p: 847-719-6500

October 28, 2020

Qualification Standards Committee  
American Academy of Actuaries

Re: Comments on Proposed Revisions to the US Qualification Standards

Dear Committee:

We, the Steering Committee of the Public Plans Community of the Conference of Consulting Actuaries, have reviewed the recently released exposure draft of proposed revisions to the Qualification Standards (including Continuing Education Requirements) for Actuaries Issuing Statements of Actuarial Opinion in the United States.<sup>1</sup> As practicing actuaries in the United States, we know the value of the Qualification Standards and recognize the need to periodically refine these standards to help assure they remain relevant, appropriate and meaningful. We appreciate the opportunity to comment upon the proposed changes, and, in particular, wish to respond to the second of your questions regarding Enrolled Actuaries.

With the proposed revisions, the Qualification Standards would provide that an Enrolled Actuary who is not a Member of the Academy and does not have a designation from the SOA or CAS would be deemed to meet the Basic Education and Experience Requirements of Section 2.1 with respect to the issuance of SAOs mandated by ERISA. Further, the Enrolled Actuary would be qualified to issue SAOs that cover topics not mandated by ERISA provided the actuary met 2.1(c) and 2.1(d) of these Requirements. In many cases, this would allow the Enrolled Actuary who has sufficient and appropriate experience to issue SAOs for non-ERISA pension plans.

We note that when an Enrolled Actuary is issuing ERISA-mandated SAOs, the actuary is subject to disciplinary action by the JBEA for any disregard of professional standards. However, when the actuary issues a non-ERISA SAO, the JBEA does not have jurisdiction. In fact, in the case of an actuary whose sole credential is enrollment by the JBEA, there is no actuarial organization with jurisdiction over such matters, since the actuary does not belong to the AAA, the SOA, the CAS, or any of the other organizations that has adopted the Revised Code of Professional Conduct as of January 1, 2001 (“the Code of Conduct”). We are concerned that the proposed revisions would provide such an actuary (who also meets only the

---

<sup>1</sup> These comments were developed through the coordinated efforts of members of the Conference of Consulting Actuaries’ (CCA) Public Plans Community and are being submitted by the Steering Committee of the CCA Public Plans Community. However, these comments do not necessarily reflect the views of the CCA, the CCA’s members, or any employers of CCA members, and should not be construed in any way as being endorsed by any of the aforementioned parties.

experience requirement under 2.1(a)(3)) the right to issue a SAO without any means for the actuary to be held accountable under the Code of Conduct.

We recognize that there is work related to ERISA-covered matters that an Enrolled Actuary may be reasonably expected to perform, and that asking the Enrolled Actuary to become a Member of the Academy or any other organization that had adopted the Code of Conduct solely to do that work could be an undue burden. However, we believe that SAO work in clearly non-ERISA areas such as public retirement plans should be performed only by someone who is obligated to follow the Code of Conduct and so is subject to a disciplinary body upon violation of that Code. Accordingly, we recommend that 2.1.1(b) be modified to add the following wording: “, and must also be a member of an actuarial organization that has adopted the Revised Code of Professional Conduct effective January 1, 2001, or such version as is currently in effect.”

We acknowledge that there may be various ways to modify the wording, and we would be satisfied with an alternative but equivalent approach. Our primary concern is that we as a self-policing profession must in all situations have the ability to police someone acting as a member of our profession when issuing SAOs.

Sincerely,

Members of the Conference of Consulting Actuaries Public Plans Community Steering Committee

Paul Angelo, Chair	Brian B. Murphy
Thomas B. Lowman, Vice Chair	Mark Olleman
Brent A. Banister	James J. Rizzo
David L. Driscoll	Todd N. Tauzer
William B. Fornia	Lance J. Weiss
William R. Hallmark	Elizabeth A. Wiley
David Lamoureux	