



# NEWS RELEASE

**Immediate Release**

**Contact:** Andrew Simonelli  
**Phone:** 202.785.7872  
**Email:** [simonelli@actuary.org](mailto:simonelli@actuary.org)

## **Actuaries Highlight Importance of Passed Pension Bill, Address Need For National Retirement Policy**

**WASHINGTON – 4 Aug. 2006** – The non-partisan **American Academy of Actuaries** announced that the passage of pension reform legislation will deliver much-needed clarity for defined benefit plans.

“Sponsors of pension plans have been living with the uncertainty of temporary funding rules for more than four years,” said **Ron Gebhardt**, the Academy’s senior pension fellow. “In addition courts have ruled for and against employers in conflicting ways on cash balance pension plans due to the lack of clarity in pension law. All parties just want to do what is right, and now we finally have some rules to follow. The bill will be a relief to many who have been working on these issues for years. We are glad the waiting and uncertainty is over.”

The actuaries said that the new legislation may also improve the funding of defined benefit plans, but that there is still a need for Congress to create a long-term national retirement policy framework that includes a guaranteed lifetime income.

“A national retirement income program must embrace and promote defined benefit pension plans,” said **Donald J. Segal**, vice president of the Academy’s Pension Practice Council. “An enduring national retirement framework must include a guaranteed retirement income for life for all Americans. Social Security, even if we were to solve its current funding shortfalls, does not provide an adequate retirement income, and defined contribution plans, such as 401(k) accounts, carry with them significant risks.”

The actuaries also announced that they are preparing to assist plan participants, plan sponsors, and government agencies in the implementation of the new legislation. The Academy also intends to dedicate resources to examine retirement issues that must be addressed to develop a national retirement policy. While Thursday’s breakthrough is significant, the actuaries said there is

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much more that needs to be done to protect the financial futures of our aging population through new and creative approaches to a comprehensive retirement strategy.

Spokespersons are available to discuss pension reform legislation and defined benefit plans. To schedule an interview, contact Andrew Simonelli, media relations manager for the American Academy of Actuaries, at 202.785.7872. For more information on defined benefit plans, please visit [www.actuary.org](http://www.actuary.org).

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The American Academy of Actuaries is the public information organization for the U.S. actuarial profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policy-makers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions and other forms of risk financing.