



NEWS RELEASE

Immediate Release

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Actuaries Support Requirement to Offer Lifetime Income Option

WASHINGTON – 15 Sept. 2010 – The **American Academy of Actuaries** testified earlier today to officials with the U.S. departments of Labor and the Treasury that employers should be required to offer some form of a guaranteed lifetime income option in tax-qualified individual retirement account plans.

“From an actuarial perspective, we recognize that lifetime income arrangements protect against longevity risk, the risk of people outliving their financial resources,” said **Frank Todisco**, the American Academy of Actuaries senior pension fellow. “Lifetime income arrangements are also economically efficient, since it is significantly less expensive to pool longevity risk through a lifetime income arrangement than to self-insure the risk by accumulating assets to last until a very old age.”

Noel Abkemeier, a member of the American Academy of Actuaries Life Products Committee, who testified with Todisco, said that actuaries support the requirement, provided that it “is accompanied by a clear set of regulations that will allow for their effective implementation at reasonable cost and without subjecting plan sponsors to undue fiduciary risk.”

Abkemeier and Todisco also said they support disclosing individual account balances as equivalent monthly or annual guaranteed lifetime income amounts.

Complete oral remarks are available [here](#). The American Academy of Actuaries original May 2010 response to the request for information on lifetime income options from the U.S. departments of Labor and Treasury is available [here](#).

To schedule an interview with Todisco and/or Abkemeier, please contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the American Academy of Actuaries, please visit: www.actuary.org.

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The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.