



ACOPA Quarterly

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September 2011

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Calendar

The next A-4 Examination will take place Dec. 8.

To earn ACOPA's advanced Fellowship designation, the Fellow, Society of Pension Actuaries (FSPA) credential, you must sit for this exam and meet other requirements. For more information, visit asppa.org/fspa

[ACOPA Advanced Actuarial Conference](#)

June 4-5, 2012
Boston

[ACOPA Actuarial Symposium](#)

August 10-11, 2012
Chicago

2011/2012 Election Results

ACOPA members elected a new President, Joe Nichols. Please join me in welcoming Joe and wishing him well. Also, please recognize the substantial contributions of Annie Voldman, now our Immediate Past President. Other Officers elected for this year are:

- Mark Dunbar, President Elect
- David Lipkin, Vice President
- Kurt Piper, Vice President
- Lynn Young, Secretary
- Eugene Joseph, Budget Officer

We also elected some new members to the Leadership Council: William Karbon, John Markley, and Stephen Parks. These three new members will join the other returning LC members:

- Andrew Ferguson
- Richard Kutikoff
- Neff McGhie
- Norman Levinrad
- Karen Smith
- Cliff Woodhall
- Annie Voldman (Past President)

If you have a question or idea about ACOPA, then you should contact one of these people to express your view. We look forward to serving you over the next year!!

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Message from ACOPA's New President, Joe Nichols

It is with great honor that I start my term as President of ACOPA. I would like to thank my Executive Committee – David Lipkin and Kurt Piper as Vice Presidents, Lynn Young as Secretary, Eugene Joseph as Budget Officer, and last, but not least, Mark Dunbar as President-Elect. The ACOPA President-Elect not only has significant ACOPA duties, but the position also requires many time-consuming duties outside of ACOPA and ASPPA. I am grateful to Mark for donating his time and energy and look forward to working with him during our terms. I also want to welcome our three new Leadership Council members – John Markley, Steve Parks and Bill Karbon. We have quite an agenda for the Leadership Council this year and I feel fortunate to have three new members joining our very dedicated group.

One important ACOPA Leadership Council agenda item, and a main focus during my term, is *to increase the flow of information amongst ACOPA leadership*. As one of the five recognized actuarial organizations in the US, ACOPA has a right and an obligation to be involved in the discussions affecting the actuarial profession. ACOPA must educate its leadership and volunteers on issues outside of ACOPA and ASPPA. We are fortunate to have many ACOPA volunteers willing to help on Academy, Joint Board and other non-ACOPA committees. The information flow to and from these volunteers is vital, as is preparing current members for these volunteer opportunities. If you are interested in helping either inside or outside ACOPA and ASPPA, please contact an Executive Committee member.

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Welcome New ACOPA Members!

Please join me in welcoming our recent new members, Gregg Johnson and Jeffrey Shouldis, both MSPAs.

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ACOPA Actuarial Symposium Update

ACOPA held its annual Actuarial Symposium in Boston last month. The meetings were informative and well-attended. One unsolicited e-mail comment to the LC: "The ACOPA meeting was more informative than all the Washington, DC EA meetings that I have ever slept through, combined." (We think this is praise?) Continuing: "I am amazed at how approachable and friendly the ACOPA people are, even those in [leadership] positions."

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Save the Dates!

ACOPA's 2012 Advanced Actuarial Conference will be held on June 4-5,

2012 in Boston. Our Actuarial Symposium will be held August 10-11, 2012 in Chicago.

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Here are the Lowest EA Numbers We Could Find

Our last issue asked for feedback on which ACOPA member has the lowest EA number. I heard from Stu Schoenly (# 1097), Tony Ornatek (# 614), Paul Dugan (# 867), Herb Greff (# 891, also one of ASPPA's first ten FSPAs), Ron Roth (#953), and Michael Risen (# 1100).

Anyway, the lowest number we heard about is Linda Cappers (# 245, attained 2-19-76). Hopefully we won't need a future contest to determine the last EA!

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Listserv Update

We believe that the ACOPA listserv is a very valuable member benefit. Where else can you post a question and (usually) get several insightful answers? Because we value it so highly, we are striving to find ways to improve it. This is why we did our survey last month. The responses suggest the main parameters for us to consider are:

- Organizing the topics better. Now you can only go by the title of the thread, and that can be spotty or misleading, plus it can change over time.
- Ability to reply easily. On the current system, replying to a post could not be easier – you just send an e-mail. On other systems, this procedure is not as easy.

We will study this issue and update once we have a plan. Thanks to those who replied to our survey. (By the way, the winner of our free webcast for doing the survey is Lorraine Dorsa).

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Further Listserv Update

Some of the topics currently being discussed include:

- Likely 2012 limits: the DB limit will likely make it to \$200,000 but perhaps not \$205,000; the DC limit could make it to \$50,000, but maybe not \$51,000. The likely 401(k) limit is \$17,000. Very exciting!
- How to calculate a lump sum when the plan document (as drafted) butchers 417(e) rules? (A: Give the better of the goofy plan benefit or the minimum required 417(e) benefit.)
- For a sole prop. plan, if they are forced to contribute a non-deductible amount greater than the net earned income, does the excess contribution create a "basis" for later? (A: Probably not.) *Note that the excise tax is waived in this case.*
- Might the IRS be considering further automatic approvals? (A: We hope so, but it's not on their guidance list right now.)
- Is a real estate agency plan covered by PBGC? (A: Yes.) How long has it been taking to get your coverage letters back from the PBGC?

(A: 2 – 3 weeks.) (ed. note: wow my last one took 2 years!)

- Whatever else you would like to post now...

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ASOP 41 Update

ASOP 41 is now in effect. This requires enhanced disclosures for actuarial communications. For our firm, I am concerned that our computer valuation software does not provide sufficient disclosures, so we will be adding a page discussing methodology, selection of assumptions, etc. We already include a "Highlights" page, but we'll be modifying that as well.

What will you be doing for your firms' reports? Tell me at david@metrobenefits.com.

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Actuarial Code of Conduct

In ACOPA's recent election, our members overwhelmingly approved changes to the joint disciplinary process for U.S.-based actuarial organizations. When the revised process is implemented, it will allow for a more streamlined and fair appeals procedure. See ACOPA's website for more information on the revised process.

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Gambling Actuarial Department

Here are my questions for today:

- As an actuary, do you like to gamble? Do you think that your actuarial skills make you a better gambler? Worse? What games do you like to play? Do you gamble too much?
- Do you think that consumers at casinos should be better "protected" by being clearly informed of the odds? For example, most lotteries take 50% of your money off the top for "charity" and the rest is pure gambling. Do you think that most consumers know this? If they did, would they play the lottery less? For what it's worth, it is mandatory for Las Vegas casinos to disclose this, which they do in a brochure that is "available" if you happen to find it. How about a big sign posting the odds at the roulette wheel?
- One exception to the 50% "rake" in lotteries is in the Massachusetts State "Quick Cash Windfall" game. In that system, if the jackpot grows above \$2.5 million, the excess funds are redirected into the smaller prizes. When that occurs, the odds change rapidly in favor of the consumer, to the point that a handful of individuals purchase the vast majority of all tickets sold during these "roll-down" weeks. The lottery is aware but they are not changing it. Any comments?

Let me know at david@metrobenefits.com.

Thanks for being an ACOPA member! Have a good autumn!

David Lipkin, MSPA, Editor

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