



AMERICAN BENEFITS
COUNCIL

October 17, 2014

Mr. Mark J. Freedman
President
Board of Directors
Society of Actuaries
475 North Martingale Road, Suite 600
Schaumburg, Illinois 60173

**Re: RP-2014 Mortality Tables Exposure Draft and Mortality Improvement Scale
MP-2014 Exposure Draft**

Dear Mr. Freedman:

We are writing to express our concern with the Society of Actuaries' ("SOA") Retirement Plans Experience Committee's ("RPEC") announcement on July 28 that its goal is to release the final reports on RP-2014 Mortality Tables and Mortality Improvement Scale MP-2014 by October 31, 2014.

Before noting our concerns, we want to express our great appreciation to the SOA for the many years of hard work that have gone into preparing these new mortality assumptions. There is no question that pension participants are living longer and that today's mortality assumptions need to be updated. We support that effort and commend the dedication of the SOA. However, we are concerned that in the effort to move this project toward an expeditious conclusion, certain issues are not getting needed attention.

We are troubled that, fewer than two months after the close of the comment period with respect to the Exposure Drafts on May 30, the SOA had already set October 31 as the date for finalization. Several comments voiced strong concerns that the SOA had excluded from consideration the vast majority of data available and that the projection scale is subject to significant judgment and should not be a prescriptive, "one-size-fits-all" approach. If this feedback is taken into account, finalization would almost certainly happen well after October. The SOA's announcement conveyed to the pension community that comments received are not likely to be taken into account before the results are finalized. This is disappointing and does not inspire confidence that the table

ultimately issued will have been arrived upon in as fair and accurate a manner as it deserves. We are particularly concerned about reports the SOA rejected data that was “surprising” or outside the 95 percent confidence level. This could lead to tables based on expectation rather than data.

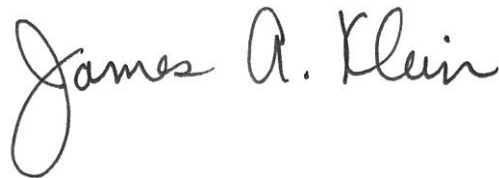
We urge the RPEC not to rush the release of the final reports without a full review of the comments submitted regarding the exposure drafts. Many commenters expressed concern about the amount of data disregarded in producing the RP-2014 mortality tables. Therefore, we urge the RPEC to give all due consideration to the comments and requests received to re-review the data to ensure that none was excluded inappropriately. In addition, the SOA should consider providing more flexibility to actuaries related to the future mortality improvement assumption including, but not limited to, approaches used by the Social Security Administration. The improvement assumption is by definition speculative; and we are concerned the Exposure Draft will include prescriptive language regarding the use of an assumption based on speculation at a moment in time.

We are also concerned that the RPEC’s projected timeline not only is insufficient for such a thorough review and, ideally, re-exposure, but also that it may obligate plan sponsors to use an inadvertently biased table as they work diligently through their planning cycles this fall.

The actuarial community, plan sponsors and the participants they serve, all place a great deal of trust in the vital work of the SOA. We encourage the SOA to continue to have a healthy dialogue to ensure that the new mortality tables and projection scale are actuarially sound, broadly supported prior to their final release for use.

Thank you for your consideration of our views.

Sincerely,

A handwritten signature in black ink that reads "James A. Klein". The signature is written in a cursive style with a large, looping initial "J".

James A. Klein
President

cc: Members of the SOA Board of Directors
Ms. Erika Schulty