

Research Studies–Data Requests
Retirement 20/20–Call for Models–Rules & Guidelines
August 5, 2009

I. Overview

The Society of Actuaries Pension Section Council is issuing a call for models to solicit proposals for new “Tier II” retirement systems that align with the principles of *Retirement 20/20*. Information about the call for models including general content guidelines, resources and background, timeframe and contacts are available in the main call for models document available through the following link: <http://retirement2020.soa.org/files/2009-call-for-models.pdf>. As described in that document, the SOA Pension Section plans to support this call for models by awarding a number of equal cash prizes (maximum of 5). The purpose of this document is to provide additional details regarding the call for models, including eligibility, submission guidelines and judging criteria.

II. Eligibility

Eligibility for cash prizes is open to the public and is not restricted solely to members of the Society of Actuaries (SOA) or the SOA Pension Section. Submissions can be from individuals, groups of individuals or organizations. Employees of the SOA or other organizations that provide financial sponsorship (“Joint” or “Event” sponsors) are eligible to submit papers for the call for models and to participate in any conference, but will not be eligible to receive prize money.

III. Judging Panel and Criteria

The judging panel will consist of seven judges representing the SOA’s Pension Section and outside experts from government, academia and industry who have been involved with the *Retirement 20/20* project. Two of the seven panel judges may be from “Joint Sponsor” organizations providing financial sponsorship. The judging panel will be chosen after the statement of intent deadline, to minimize any potential conflicts of interest. The decisions of the judging panel are final.

The judging criteria are based on the principles of *Retirement 20/20* and alignment with the Measurement Framework, including the following specific criteria:

- **Risk** – Does the proposed retirement plan include effective risk-sharing mechanisms? Is it clear who bears the risk in different situations? Does the system handle extreme events?
- **Governance** – Does the proposed retirement plan have strong governance? How well does it avoid or minimize moral hazard?
- **Administration** – Can the proposed plan be administered without extreme complexity or cost?
- **Transition** – Is it possible to transition from the current environment? Does it require a total overhaul or minor modifications of the current environment? Does the system fit culturally within the current Canadian or US context; is it implementable?
- **Transparency** – Is the proposed plan understandable and relatively easy to communicate to all stakeholders? Is the use of market instruments and risk mechanisms transparent?

Authors are strongly encouraged to complete a sample Measurement Framework and turn it in with their paper submission; a completed Measurement Framework submission will help the panel

Research Studies–Data Requests
Retirement 20/20–Call for Models–Rules & Guidelines
August 5, 2009

understand the intentions of the plan design. The judging panel, however, will independently evaluate how the proposed system aligns with the Measurement Framework, and reserves the right to realign it in a manner consistent with other submissions. For additional information on general content expectations and submission guidelines, see **Section V** of the main call for models document.

IV. Award of Prizes

The judging panel will select up to five submissions for an award of prize money. Equal monetary prizes will be awarded to all winning submissions, based on a total prize pool of \$100,000. (If five prizes are awarded, each will be \$20,000.) The number of prize awards will depend on the number and quality of submissions; the SOA reserves the right to not make any awards, or to award less than the total prize sum. Any prizes awarded will be at least \$20,000; if less than five prizes are awarded, the prizes may be more than \$20,000, but in no event will any prize exceed \$30,000.

The SOA intends to award prizes regardless of the nationality or country of residence of the submission author(s), but all awards of prizes will be subject to compliance with the applicable tax laws of the United States and/or the winner's country, including any reporting or withholding obligations.

V. Publication

The judging panel will rank all submissions and select a set of submissions for presentation at a planned *Retirement 20/20* conference to be held in 2010. If the conference is held as planned, it is anticipated that the SOA will reimburse travel and lodging expenses (up to certain limits) for authors selected to present at the event. If a sufficient number of quality papers are received, conferences may be held in both Canada and the United States to highlight potential solutions for each country.

The SOA anticipates that all accepted papers will be published in the *Retirement 20/20* conference report, including the evaluations from the judging panel based on the Measurement Framework. The SOA reserves the right, however, to reject any submissions or not to publish papers. Where appropriate and with the author's consent, papers may also be submitted to the *North American Actuarial Journal* and other peer-reviewed journals or to additional SOA publications such as *The Pension Forum*.

The Society of Actuaries prefers to publish all papers and to copyright all published papers without a previous copyright. In addition, excerpts or synopses of the papers may be published for promotional purposes. For special publishing and copyright situations, the SOA will work with authors to accommodate any particular needs.

VI. Timing

In order to be eligible for prize money, a "statement of intent" outlining your intention to participate along with a very brief summary of your proposed design must be submitted to the SOA by

Research Studies–Data Requests
Retirement 20/20–Call for Models–Rules & Guidelines
August 5, 2009

Sept. 15, 2009. Statements of intent should be sent to:

- Sue Martz
- f: 847.273.8558
- e–mail: smartz@soa.org

The statement of intent should include a one-page description of the system design, a brief biographical paragraph for the author(s) and contact information and whether any organization is or has provided financial backing in developing the proposal. Statements of intent will be reviewed by Society of Actuaries' staff and members of the Pension Section Council as received to ensure that the proposed model meets the broad goals and criteria of the call for models. Members of SOA staff will contact submitters within two weeks of receipt to confirm whether the proposed submission would be considered eligible for an award. Submitters whose statements of intent do not appear to match the goals of the call for models will be advised that their final paper may not be included in the conference or conference proceedings. The SOA reserves the right to refuse to consider models submitted without a statement of intent.

Final Submissions

All retirement system model papers must be submitted in a complete format **no later than Dec. 18, 2009**.

VII. Questions

Please direct questions regarding this call for models to:

- Andrew Peterson, SOA Staff Fellow – Retirement Systems
 - ph: 847.706.3591
 - f: 847.273.8591
 - e-mail: apeterson@soa.org
- or
- Emily Kessler, SOA Senior Fellow – Intellectual Capital
 - ph: 847.706.3530
 - f: 847.273.8530
 - e-mail: ekessler@soa.org