

## Response to Request for Comments on Qualification Standards

July 31, 2013

### American Academy of Actuaries' Committee on Qualifications

The American Society of Pension Professionals & Actuaries (ASPPA) and the ASPPA College of Pension Actuaries (ACOPA) thank the Committee on Qualifications (COQ) for soliciting comments regarding the current Qualification Standards (QS). In this letter, we first provide specific answers to selected questions posed by the COQ and then offer additional comments.

#### Responses to Select Questions

##### **Question 3:**

In the current QS, is it clear as to what qualifies as organized, other, professionalism and business activities? If not, what changes do you suggest that would clarify these categories of the QS?

##### **Response:**

ACOPA recommends that additional text explaining the meaning and examples illustrating the meaning of professional and business activities be included if an exposure draft is issued. Specifically, ACOPA requests that the following be included as examples of professionalism:

- Any item that qualifies for “ethics” under the JBEA regulations
- Reviewing standards of practice under the JBEA regulations or Circular 230
- Studying an ASOP or the Qualification Standards
- Reading or writing professionalism articles
- Serving on the ABCD or a Joint Discipline Council (JDC) panel
- Serving as an investigator for the ABCD or JDC

##### **Question 4:**

Should there be a yearly cap on professionalism CEs? Currently there is a minimum number of professionalism CEs but no maximum. If capped, what maximum amount do you recommend?

##### **Response:**

ACOPA does not believe there needs to be a yearly cap on professionalism. Members seem more concerned with meeting the minimum requirement.

**Question 5:**

Currently, the QS only apply to actuaries issuing Statements of Actuarial Opinion in the United States, so actuaries providing Actuarial Services without a Statement of Actuarial Opinion are not required to comply with the QS. Should the QS be expanded to include all Actuarial Services as defined in the Code of Professional Conduct?

**Response:**

ACOPA recommends that the QS be expanded to apply to all individuals providing Actuarial Services as defined in the Code of Professional Conduct. First, the expansion to all actuaries providing Actuarial Services would better protect the public and users of actuarial work product. The current definition of Statement of Actuarial Opinion is confusing and expanding the application of the QS to all actuaries providing Actuarial Services would make the definition unnecessary. Third, expanding the scope of the QS would potentially be a step towards harmonization of all of the continuing education requirements.

**Question 7:**

Are the carryover provisions of the QS understandable or do they need to be clarified? If so, what is confusing to you and what suggestions do you have in clarifying the requirements? In addition, should the maximum carryover be reduced so that an actuary will always need to earn some CEs in a given calendar year? Currently an actuary could carry over a full year's CE from the prior year resulting in no additional CEs for the current calendar year. For both of these questions, please address whether your comments apply to general carryover requirements or to specific, organized, professionalism or business requirements.

**Response:**

The current carryover provisions are appropriate and clear.

### Other Comments

ACOPA offers the following additional comments:

- ACOPA believes that the Enrolled Actuary Exemption to the General Qualification Standard in Section 2.1.1 of the QS is still appropriate and recommends no change to this provision.
- ACOPA recommends that the continuing education exemption of Section 2.2.8 be deleted. The inclusion of Section 2.2.8 in the 2008 QS was important for several reasons, including revisions to the JBEA regulations that were pending at that time. However, if the QS is revised, Section 2.2.8 should be removed. ACOPA believes that this would raise both the perceived and actual professionalism of pension actuaries. Additionally, it would end confusion regarding the application

of the exemption. Lastly, it would be a step towards harmonizing the continuing education standards across actuarial organizations.

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This letter was prepared by the ASOP Task Force of the ACOPA Intersocietal Committee, Richard A. Block, Chair. If you have any questions, please contact Judy Miller, ACOPA Executive Director, at (703) 516-9300.

Thank you for your consideration of these comments.

Sincerely,

/s/  
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/s/  
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