



CYPEN & CYPEN NEWSLETTER for March 28, 2019

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Never Forget September 11, 2001
and
Always Remember May 2, 2011

1. NEARLY 7 IN 10 RETIREES SAY THEY LIVE AS WELL OR BETTER IN RETIREMENT THAN DURING THEIR WORKING YEARS:

More than two-thirds of retirees say they live as well or better in retirement as they did when they were working, according to a recent study focused on retirees conducted by T. Rowe Price. Meanwhile, only 39 percent of current workers believe they will live as well or better in retirement. The study, "[Retirement Savings and Spending: Behaviors and Attitudes Toward Retirement](#)," also found that retirees are generally optimistic about retirement, with 84 percent agreeing that their retirement has turned out to be just as good or better than expected, and 80 percent agreeing that they are enjoying retirement more than their primary working years.

Retirees' Top Financial Concerns

Health and the cost of health care are the top concerns leading into retirement, followed

closely by assets lasting in retirement. Nearly 70 percent of retirees feel somewhat or very concerned about both their health and the cost of health care heading into retirement, followed by 65 percent of retirees reporting concerns about their assets lasting. The top three spending concerns in retirement all relate to health care. Seventy-two percent say long-term care services, like a nursing home, is the top spending concern in retirement, followed by health insurance premiums (64 percent) and out-of-pocket health care expenses (64 percent). Despite the concern for the cost of health care, a majority of retirees have enough money to pay for it. Seventy-seven percent of retirees say that they have enough money to pay for health care and this belief increases with the number of years spent in retirement: 71 percent of recent retirees say they have enough money for health care, compared to 81 percent of retirees 11 years or more into retirement. Conversely, only 46 percent of current workers believe they will have enough money to pay for health care in retirement. “It’s interesting to see the significant contrast between the perception of living in retirement versus actually living in retirement. This contrast suggests that there is a mini-lifecycle in retirement; the initial anxieties and concerns many people have leading into retirement fade as they move through retirement and they learn to adjust and finally get comfortable with their new lifestyle,” said Sudipto Banerjee, senior manager of thought leadership at T. Rowe Price. “It seems that retirement is like any other unknown; the perception of it changes with actual experience.”

Retirees’ Financial Habits

Credit Cards: Seventy-two percent of retirees say they always pay their credit card balances in full when due compared to 39 percent of current workers. Additionally, only 28 percent of retirees would turn to a credit card in financial emergencies, compared to 47 percent of workers. **Monthly Budget and Routine Bills:** Fifty-two percent of retirees say they always stick to their monthly budget if they have one, compared to 26 percent of current workers. When it comes to routine bills, nearly nine in 10 retirees say they never have problems paying their bills on time (89 percent) compared to 58 percent of workers. “Across the industry, we’re seeing more 401(k) plans providing participants with the option of leaving their assets in the plan after their retirement. Therefore, it’s becoming increasingly important to understand retirees’ needs and how we can best support them,” said Aimee DeCamillo, head of T. Rowe Price Retirement Plan Services. “Understanding the needs of retirees also provides insight that can help plan sponsors better understand the future priorities of current workers and determine effective plan design strategies and communications plans that will provide the guidance necessary to meet those needs.”

About the Study

The findings are based on a national study of 1,005 current retirees who have a rollover IRA or left-in-plan 401(k) balance, and 3,005 adults age 21 and older who have never

retired and are currently contributing to a 401(k) plan or are eligible to contribute and have an account balance of at least \$1,000. NMG Consulting conducted the online survey for T. Rowe Price from July 24, 2018 to Aug. 14, 2018. This is the fourth edition of the study, following the [2014](#), [2015](#), and [2017](#) installments. The first phase of the fourth installment, released in December 2018, focused on current workers and can be found [here](#). Data from prior studies is used in this report for comparison purposes.

T. Rowe Price, February 5, 2019.

2. FIVE WAYS TO INCREASE RETIREMENT PLAN PARTICIPATION AMONG MILLENNIALS:

Millennials--loosely defined as those born between 1981 and 1996--are [quickly becoming the largest generation](#), slated to surpass Baby Boomers later this year. But unlike Boomers, many of whom are exiting the workforce with the proverbial three-legged retirement stool at their disposal (i.e. defined benefit plan, defined contribution and personal savings, and Social Security), the majority of Millennials [haven't saved a penny for retirement](#) and likely do not have a pension plan, which makes it critical for plan sponsors to make efforts to increase millennial participation. However, this may not be cause for alarm yet--after all, the youngest Millennials are only 22 years old. However, if this trend continues, this generation could find itself in a bind in another decade or two as retirement begins looming, reducing the benefits of time and compounding, and pensions become less common. The trick to getting your workforce's youngest members to begin contributing to a retirement plan in earnest lies in just a few key principles. Read on for five ways plan sponsors can increase retirement plan participation rates among their Millennial employees.

1) Offer a Match

One of the easiest ways to encourage participation in a retirement plan is to offer a match--and to make sure your employees know that failure to contribute to at least the match level means leaving additional compensation on the table. A match in combination with an auto enrollment process is an even stronger way of increasing participation levels. Many employers will match employee contributions dollar-for-dollar up to a certain percent, doubling the total amount the employee contributes to retirement while generating a deductible business expense. As an alternative, or to encourage an even higher savings rate, employers may opt to stagger the match--for example, offering a 100% match up to three percent and then a 50% match from three to ten percent. And certain business structures can benefit the most from offering profit-sharing, generating an annual deposit into each employee's retirement account. By ensuring that even the smallest contribution receives a match, you'll encourage participation from employees who might otherwise not be able to set any funds aside.

2) Illustrate the Power of Compound Interest

When it comes to generating a hefty retirement nest egg, [compound interest and time have far more of an impact than the amount invested](#). Someone who puts aside \$1,000 per month from age 25 to 35 (at 7% annual return rate) will have more than \$1.4 million by age 65, whereas someone who sets aside the same amount from age 45 to 55 will end up with just a hair under \$375,000 at age 65. Young employees should know that getting an early start on savings, even if they can't save much, can exponentially increase their future retirement balance.

3) Make Eligibility and Portability Easy

Many younger workers aren't overly focused on retirement to begin with. Forcing them to jump through multiple hoops to enroll in a workplace retirement account or to vest in their "match" funds can often shut them out of the process entirely. Whereas long vesting periods were once the norm, more and more companies are moving toward a shorter vesting period to widen the net of employee plan participants. In addition, allowing part-time employees to contribute to a retirement plan can also significantly increase your plan participation rate.

4) Highlight Tax Advantages of Saving

Putting aside funds in a 401(k), Health Savings Account, or another pre-tax account will often have a modest impact on an employee's paycheck. Because these tax-advantaged contributions aren't subject to federal and state income taxes or FICA taxes, the reduction in an employee's taxable income (and, therefore, a reduction in the tax withheld) can largely offset the additional investment amount withheld. Meanwhile, employees who invest in a Roth 401(k) or Roth IRA on an after-tax basis may see more of a paycheck reduction but will enjoy the hard-to-beat benefit of tax-free growth. It's impossible to predict future tax rates, so having both pre- and post-tax retirement accounts can provide workers with a hedge against uncertainty.

5) Lower Fees, Increase Returns

The real-life math problems used to demonstrate the power of compound interest all depend on achieving a certain rate of return. Each percentage point paid in plan fees takes a bite out of an investor's return, and an investment account that earns five percent per year and assesses a one or two percent management fee isn't likely to even outpace inflation over time. Offering an array of low-fee plans can boost participation and encourage employees to continue contributing as they watch their balances rise over time. Plan Pilot, February 5, 2019.

3. RETIREMENT SPOTLIGHT: COURT RULES NO BANKRUPTCY EXEMPTION FOR CERTAIN RETIREMENT PLAN ASSETS ACQUIRED IN DIVORCE:

The U.S. Bankruptcy Appellate Panel for the 8th Circuit has [ruled](#) in *Lerbakken v. Sieloff and Associates* that bankruptcy creditors may access certain retirement plan assets obtained through a divorce. Normally, individuals who file for bankruptcy protection may keep all of their qualified retirement plan assets--and up to around \$1.3 million in IRA assets. But the 8th Circuit has ruled that retirement assets received in a divorce--including those obtained through a qualified domestic relations order (QDRO)--may not always enjoy these special protections. This surprising decision reminds us that all recipients of these types of assets should carefully consider the best way to treat them--*before* bankruptcy is even on the radar.

Earlier Supreme Court Ruling Considered

In 2014, the Supreme Court [ruled](#) in *Clark v. Rameker* that a nonspouse's inherited (or beneficiary) IRA did not receive special protection, called a "bankruptcy exemption," because it was not considered a retirement fund within the meaning of the bankruptcy statute. The Court took into account several factors that are unique to inherited IRAs.

- IRA beneficiaries cannot contribute to inherited IRAs.
- Beneficiaries must take annual distributions, potentially years before retirement.
- Distributions are never subject to an early distribution penalty tax.

The Court found that these factors demonstrated that inherited IRAs are not intended to provide for retirement. The Court reasoned that, because the bankruptcy statute provides an exemption for retirement assets, and because inherited IRAs are not intended for retirement, they are not covered by the exemption.

The 8th Circuit Court Ruling

In *Lerbakken v. Sieloff and Associates*, the individual filing for bankruptcy (Brian Lerbakken, the "debtor") received a divorce decree and domestic relations order granting him both a portion of his former wife's 401(k) plan assets and the entire value of her IRA. The court stated that he never attempted to qualify the domestic relations order and that "Lerbakken has undertaken no other action to obtain title or possession of the accounts." A few years after the divorce decree was issued, he filed his bankruptcy petition. Relying on the *Clark* decision, the U.S. Bankruptcy Court for the District of Minnesota ruled in May 2018 that the retirement assets were not exempt from creditors. This ruling was appealed, and the 8th Circuit Panel affirmed the lower court. It ruled that, like inherited IRAs, assets acquired through a divorce are not primarily retirement assets, and so do not qualify for the exemption.

Why Did the Court Rule This Way?

The 8th Circuit Panel provided only limited insight into its reasoning. In its opinion, the court indicated that the bankruptcy statute requires a two-part test. For the retirement assets to be considered exempt, they must

- be for the retirement of the debtor, and
- they must be held in an account exempt from taxation under the Internal Revenue Code.

Retirement funds not meeting this test do not qualify for the exemption. The court ruled that Lerbakken's assets were not for his retirement, using the *Clark* opinion to support its finding that "the exemption is limited to individuals who create and contribute funds into the retirement account." The court also found that the debtor's interest in the assets in question was nothing more than a property settlement, and thus not subject to special protection. The Supreme Court reasoned that, because inherited IRAs are not intended to provide for a beneficiary's retirement, they are not subject to the distinctive protections that retirement assets receive in bankruptcy. The 8th Circuit Panel may have understood that most individuals who receive retirement plan funds through a divorce treat those assets quite differently from inherited IRA assets. In practice, most of them will move those assets into an IRA or other eligible plan that they hold in their own name, thus treating them as their own retirement funds. But the debtor in this case, Mr. Lerbakken, did nothing at all with his ex-spouse's retirement funds. He simply left them alone. And this allowed the 8th Circuit Panel to conclude that the retirement assets obtained through this divorce were functionally the same as inherited IRAs.

Who Will This Ruling Affect?

The U.S. Court of Appeals for the 8th Circuit covers Minnesota, Iowa, Missouri, Arkansas, North Dakota, South Dakota, and Nebraska. The 8th Circuit is the only one to have ruled on this issue so far, but other courts could certainly adopt this interpretation of the law if a similar case arises. If Mr. Lerbakken were to appeal the ruling, the U.S. Court of Appeals for the 8th Circuit would hear the appeal. But based on his circumstances, it seems unlikely that he will appeal. So this *Lerbakken* ruling could affect individuals filing for bankruptcy protection anywhere in the United States--if they have retirement assets that were initially obtained through a divorce. The practical importance of the ruling, however, may be minimal. The decision properly addresses the unique facts in this case, but it does not address how a bankruptcy filer with divorce assets may be able to shield retirement funds from creditors. If Mr. Lerbakken had contributed the divorce assets into his own retirement account through a permissible transfer or rollover, would this court have ruled differently?

It seems quite possible.

Case Implications

Bankruptcy trustees are required to zealously seek all appropriate debtor assets in order to pay the creditors of the bankruptcy estate. The *Lerbakken* ruling may catch the eyes of these trustees, who will likely seek to challenge any future exemptions that are claimed under similar circumstances. But the *Lerbakken* facts are unusual. Typically, individuals who receive retirement assets from a former spouse will take *some* action, perhaps moving assets into their own retirement plans. But most will not simply sit on their hands, letting assets languish “unclaimed” in the former spouse’s IRA or 401(k) plan. This case reminds us that this ruling could have been avoided entirely. Had Mr. Lerbakken been advised of the importance of carefully considering the merits of moving his ex-spouse’s retirement funds into his own account, these assets might have been protected. Keep in mind that there may be good reasons not to treat all retirement assets obtained in a divorce as one’s own. For example, the recipient may need to take some assets directly from the former spouse’s 401(k) plan in order to avoid the 10% early distribution penalty. Your clients can make the best decisions in each circumstance only by fully understanding the consequences of their actions. So even if this case has created some uncomfortable ripples in the industry, it may contain some valuable lessons to share. Ascensus will monitor progress on similar cases and will release ongoing analysis of this issue. Access a printable version of this issue of the Retirement Spotlight [here](#). ERISA News, February 4, 2019.

4. PUBLIC PLANS RECEIVE THEIR OWN MORTALITY TABLES:

The first mortality tables specifically for public-sector pension plans--identifying teachers as likely the largest public pension obligation cohort--might not surprise administrators of large plans, but it does offer them a way to benchmark to their peers. And for smaller public funds, the mortality tables released Jan. 22 by the Society of Actuaries provide ways to fine-tune the assumptions they use to make funding decisions. The new tables are welcome, said Kevin Woodrich, a principal consulting actuary with Cheiron Inc. in Charlotte, N.C., because the significant amount of information allows public plan officials to dissect by job category. "How different are (public plans) from the private sector, and within the public sector? It gave us the ability to produce that kind of table. It is important because now (public plan officials) can use it as a benchmark comparing to other public plans," said Mr. Woodrich, who served on the SOA Retirement Plans Experience Committee producing the tables. "It also allows plans the ability to use a variation tailored to their actual experience. In the past, they may have had to rely on tables based on private-sector data," Mr. Woodrich said. Plan sponsors were reluctant to comment on how the new tables might affect their actuarial assumptions going forward. David Kausch, a

Society of Actuaries fellow and chief actuary with Gabriel, Roeder, Smith & Co. in Southfield, Mich, said: "Mortality assumptions are one of the more significant demographic assumptions. The next one is, when are they going to retire? Those two tend to have the biggest impact." Mr. Kausch also served on the Retirement Plans Experience Committee. Officially known as the Pub-2010 Public Retirement Plans Mortality Tables Report, it is the first look at public-sector mortality distinct from the private sector. The findings are based on the experience of 35 public systems covering 78 retirement plans between 2008 and 2013, broken down by three job categories: general employees, public safety employees and teachers. The tables also suggest a correlation between higher income and lower mortality. Another first for the report was projecting that teachers would have the largest pension obligations among public-sector employees, when comparing the same benefit amount. Teachers have the longest age-65 life expectancy, and higher rates of deferring the start of their benefit to age 62, compared with public safety and general employees. Known as annuity factors, these two points are used to value a plan's liabilities, and larger annuity factors mean larger liabilities. The life expectancy for female teachers reaching age 65 is 90.03, compared with 88.8 for women among general employees and 87.68 for public safety personnel. For men reaching age 65, teachers' life expectancies are 87.7, compared with 85.49 for general employees and 85.27 for public safety workers. While the teacher data initially sparked some concern that the new tables could cause public teacher pension systems' liabilities and contributions to rise, many of the plans already have accounted for their participants' higher longevity, actuaries said. "To a large extent, actuaries in the public-plan sector already know that and are reflecting that," Mr. Kausch said. Unlike in the private sector, where use of updated mortality tables is dictated by the Internal Revenue Service, public-sector practices are governed by actuarial standards of practice, and public pension systems have been adjusting mortality tables all along to reflect their plans' actual experience. "Most of the large systems already do scale tables to fit their own experience. These new tables won't mean much difference for large plans," Mr. Kausch said. It could take as many as five years for the impact of the new tables to show up, since public plan actuaries typically revisit their mortality assumptions when they update their experience studies every three to five years. Still, Mr. Kausch said, "we are definitely going to be considering these the next time we are looking at actuarial assumptions." The biggest impact of the new mortality tables is expected to be on small public retirement systems without enough mortality experience to adjust previously used tables. Smaller plans could use the new tables off the shelf, or as reference tables for credibility-weighted blended mortality rates, actuarial experts said. The key will be interpreting the mortality tables based on individual job categories, said Dale Hall, SOA's managing director of research in Chicago. "There is no single mortality table covering aggregate public retirement plan mortality across all professions studied, due to the varying mortality patterns from each job category," he said. SOA officials stress that

demographics specific to each pension plan also matter, and the mortality tables are just one of many assumptions used to calculate pension funding, along with income, education levels and other factors. Hazel Bradford, *Pensions & Investments*, February 4, 2019.

5. PUBLIC DB PLANS INVEST MORE IN RISKIER ASSETS THAN PRIVATE PLANS:

To isolate how public defined benefit (DB) plans' investment return assumptions affect their asset allocation, the Center for Retirement Research (CRR) at Boston College compared public plans to single-employer private DB plans and found even after controlling for a number of factors, public plans invest more in riskier assets than private plans, and for any given asset allocation, public plan return assumptions are on the optimistic end compared with those of investment professionals. The researchers point out that private plans do not use the assumed return to value liabilities in their financial statements, and, as a result of the Pension Protection Act (PPA), in 2009 they stopped using the assumed return to set required contributions as well. Therefore, a private-sector comparison can provide insight into how using the assumed return for valuation and funding purposes may impact public-sector asset allocation. According to the analysis, from 2001 to 2008, the average allocation to fixed income, stocks, and other non-traditional asset classes--alternatives such as private equity, hedge funds, and real estate--was roughly the same for public and private plans. However, from 2009 to 2015, the allocations diverged, with public plans investing a significantly larger share in risky assets than private plans. Specifically, in this latter period, public plans had 72% in risky assets (50% in equities and 22% in alternatives) compared with 62% for private plans (44% in equities and 18% in alternatives). The question is how much of the difference in allocation to risky assets is due to differences in the incentives regarding the assumed return. The researchers note that other factors could also explain the difference. For example, in 2015, the average percentage of inactive members--current retirees and separated employees entitled to a retirement benefit--for private plans was about 12 percentage points higher than the average for public plans, and prior research suggests that risk tolerance should be lower for more mature plans. Using a regression analysis and variables representing the differences between public and private plans, researchers found no significant difference in the allocation to risky assets for similar public and private plans for 2001 to 2008 (when private plans used the assumed return for setting contribution targets), but the analysis shows a 13-percentage-point difference in allocation for 2009 to 2015. Even given the riskier asset allocation of public-sector plans, many investment experts contend that their assumed returns are too high, the research report says. An analysis assessed the credibility of return expectations by comparing the public-sector's assumed return to an assumed return based on published expectations from BlackRock. For example, the optimistic return assumption for equities by BlackRock is 9%, while the pessimistic return assumption is 7.4%, and the analysis finds public plans

average allocation to equities is 49.1%. Over all assets classes, the pessimistic assumed return by BlackRock is 7.4%--equal to the average assumed investment return used for state and local pension plans in 2017. "This situation is worth monitoring closely because optimistic return expectations could yield required contributions that are ultimately inadequate to meet benefit obligations and, thus, threaten the financial stability of public plans," the researchers conclude. Rebecca Moore, Plansponsor, January 2019.

6. THE NAKED CEO – PERSONAL LIABILITY BOARD MEMBERS AND C-SUITE UNDER ERISA:

It's 1974 and bell-bottom pants and platform shoes were in fashion...unfortunately. It was also the year that an odd federal law was passed that now governs \$29 trillion in U.S. retirement plan assets. The law was ERISA or the Employee Retirement Income Security Act. And notwithstanding the word "retirement" in its title, it also covers all employer-sponsored health plans and most other employee benefit arrangements. The bell-bottoms and platform shoes may be gone but the growing impact of ERISA and explosion of class action litigation against employer plan sponsors in recent years is something that boards of directors, officers and other company executives should be concerned about - because under ERISA they may be personally on the hook for any plan breaches as fiduciaries - and often D&O insurance isn't going to protect them. The costs of ERISA litigation can be staggering. The 10 highest ERISA class action settlements in 2017 totaled nearly \$1 billion. With courts increasingly siding with plaintiffs in these cases, there appears to be little hope that the trajectory of ERISA litigation will reverse. At the same time, plaintiffs are exploring new avenues of attack under employer sponsored health plan using the same ERISA fiduciary arguments developed over the last 45 years on the retirement side. It's simply not enough that employers keep compliant with the Affordable Care Act and Internal Revenue Code (both of which have provisions embedded in ERISA amongst eight other federal laws including COBRA). They also need to focus on their fiduciary obligations under ERISA because that's the focus of these class action lawsuits. Historically, ERISA litigation has focused on the duties, responsibilities, and actions of retirement plan's fiduciaries--typically, the board and company executives. Under ERISA, those fiduciaries are charged with one main objective: to act solely in the best interests of plan participants. Class action suits against companies have alleged that fiduciaries have violated that rule by, for example, making imprudent decisions regarding investment choices, or failing to manage plan documentation or monitor people hired to carry out plan duties. In recent years, ERISA fiduciary litigation has increasingly focused on excessive plan fees and expenses. There has been an increase in class action litigation by plan participants who are basically saying that their employer's 401(k) plan charged them too much--and the plan fiduciaries should have shopped around and found better deals. Those can be huge lawsuits. In some, the employer has ended up being on the hook for

reimbursing retirement accounts for millions--sometimes hundreds of millions--of dollars. Often, businesses will carry directors' and officers' (D&O) liability ERISA fiduciary insurance as a hedge against personal liability exposure. However, those policies might not be sufficient when it comes to ERISA fiduciary litigation. D&O policies may not cover ERISA-related liability at all, or there may be special provisions, such as requiring executives to get annual fiduciary training. Even if there is coverage, it might be woefully inadequate compared to the size of the plan or the risks involved.

Up Next: Health Plans Under ERISA

The United States spends approximately \$3 trillion a year on health care, making the oversight of company health plans an attractive target for plaintiffs. Such plans have been covered by ERISA since it was passed, but over the course of four decades, there has been comparatively little litigation on that front. However, that has been changing with rapidly rising health care costs and the implementation of the Affordable Care Act. These factors prompted employers to collect cost-sharing premiums from employees or become self-insured, thus creating a new target for ERISA fiduciary breach actions. The plaintiffs' bar is now arguing that those employee premiums and other costs, such as co-pays, types of coverage, pharmacy rebates, should be considered protected ERISA plan assets, and that every decision a plan sponsor makes with respect to use of those plan assets is a fiduciary decision. Fiduciaries overseeing health plans have to be exceptionally careful to follow the same golden rule that follow with retirement plans under ERISA, i.e., to ensure what they do is solely in the best interest of participants. Looking ahead, fiduciaries' decisions about monitoring costs and who they appoint and hire to administer health plans will be important drivers of ERISA litigation. The best protection for employers is to demonstrate that they have undertaken regular and in-depth compliance reviews of retirement and health plans. That means providing proof that the plan sponsor has reviewed plan documentation for compliance with applicable law, undertaken review of governance and delegation of authority structures, provided external fiduciary training, and demonstrated regular monitoring and benchmarking. In general, companies need to make sure that their fiduciaries perform due diligence and follow clear decision-making processes. With the increasing emphasis on personal liability, companies also need to make sure that people in those roles are qualified to act as fiduciaries--a factor that may be getting more scrutiny. In September 2018, after losing a class action lawsuit against New York University over the handling of retirement funds, the plaintiffs turned around and sued for the removal of two fiduciaries on the retirement committee--an action based on the court's ruling that noted that the two individuals lacked the capabilities needed to effectively oversee the plan. David McFarlane, Lexology, January 25, 2019.

7. SOCIETY OF ACTUARIES RELEASES PUBLIC RETIREMENT PLAN MORTALITY

TABLES:

The Society of Actuaries (SOA) released first-of-its-kind public retirement plan mortality tables, [Pub-2010](#), which includes the individual mortality experience for teachers (school teachers, college professors), public safety professionals (police, firefighters, correctional officers) and general employees (judges, military, administrative staff). The SOA is releasing public plan mortality tables to give pension actuaries and plan sponsors current information to assist in setting mortality assumptions. This is the first time it has studied public retirement plan mortality separately from the private sector. Last August, the SOA [released an exposure draft of the new public retirement plan mortality tables](#) and requested comments. It developed the new tables once it was determined that public pensions have differing levels of mortality than private pensions. The SOA's mortality tables include 46 million life-years of exposure data and 580,000 deaths from 78 public pension plans and 35 public pension systems across the country. Analysis of the dataset reveals that teachers have the longest age-65 life expectancy of the job categories studied. Further, the amount-weighted, deferred-to-62 annuity values produced by the public-sector teachers' tables were consistently larger than those produced by corresponding public safety and general employee tables. Generally speaking, this means that pension obligations for teachers are greater than obligations for other job categories, when comparing the same benefit amount. The tables also suggest that higher income is correlated with lower mortality, as income succeeded job category as the most statistically significant mortality factor across all job categories. The SOA points out that the financial impact of implementing the new public pension mortality tables will vary based on each individual job category, as well as the relative mix of member ages and other demographics in each pension plan. It encourages professionals in the field to perform their own analysis to understand the impact of these tables on their own plan. "It is ultimately up to plan sponsors, working with their plan actuaries, to determine how to incorporate emerging mortality and mortality improvement into their plan valuations," the SOA says. Rebecca Moore, Plansponsor, January 23, 2019.

8. RETIRE ONLINE WITH SOCIAL SECURITY, QUICKLY AND EASILY:

The idea of applying for Social Security retirement benefits might seem daunting, but it's not. There's no need to visit an office. You don't have to use the phone. We have an online retirement application that you can complete in as little as 15 minutes and from the comfort of your home or office. In most cases, once your application is submitted electronically, you're done. There are no forms to sign and usually no documentation is required. Social Security will process your application and contact you if any further information is needed. It's as simple as that. You can [start your application](#). You can apply online for retirement benefits or [benefits as a spouse](#) if you:

- are at least 61 years and 9 months old;
- are not currently receiving benefits on your own Social Security record;
- have not already applied for retirement benefits; and
- want your benefits to start no more than 4 months in the future. (We cannot process your application if you apply for benefits more than 4 months in advance.)

You'll have to create or sign into your [my Social Security](#) account as part of your application. If you don't have an account yet, this is a perfect time to create one. Just as important, this is where you will be able to check your application for benefits. Like our other online services, *my Social Security* is available on your time and there's no waiting in line or on the phone. You can see your entire work history going back to your first job to make sure we have all of your wages correctly tallied. Create or sign into your [my Social Security](#) account. Are you curious about how much your retirement benefits will be? You can get an idea of what your benefits will be using our [Retirement Estimator](#). Social Security provides services for millions of people, but we also want to make your experience with us as simple and easy as possible. Our many online services, including retiring online, are part of that mission. You can access more by visiting our [online services](#) website. Jim Borland, Acting Deputy Commissioner for Communications, Social Security Administration, January 10, 2019.

9. DID YOU KNOW BENJAMIN FRANKLIN SAID THIS?:

If a man empties his purse into his head, no one can take it from him.

10. PONDERISMS:

When does it stop being partly cloudy and start being partly sunny?

11. INSPIRATIONAL QUOTES:

Start where you are. Use what you have. Do what you can. – Arthur Ashe

12. TODAY IN HISTORY:

On this day in 1939, Spanish Civil War ends, Madrid falls to Francisco Franco.

13. REMEMBER, YOU CAN NEVER OUTLIVE YOUR DEFINED RETIREMENT BENEFITS.

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