

AOFF Consulting Pension Plan for 2018



Presented by Team 13

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Agenda



Introduction

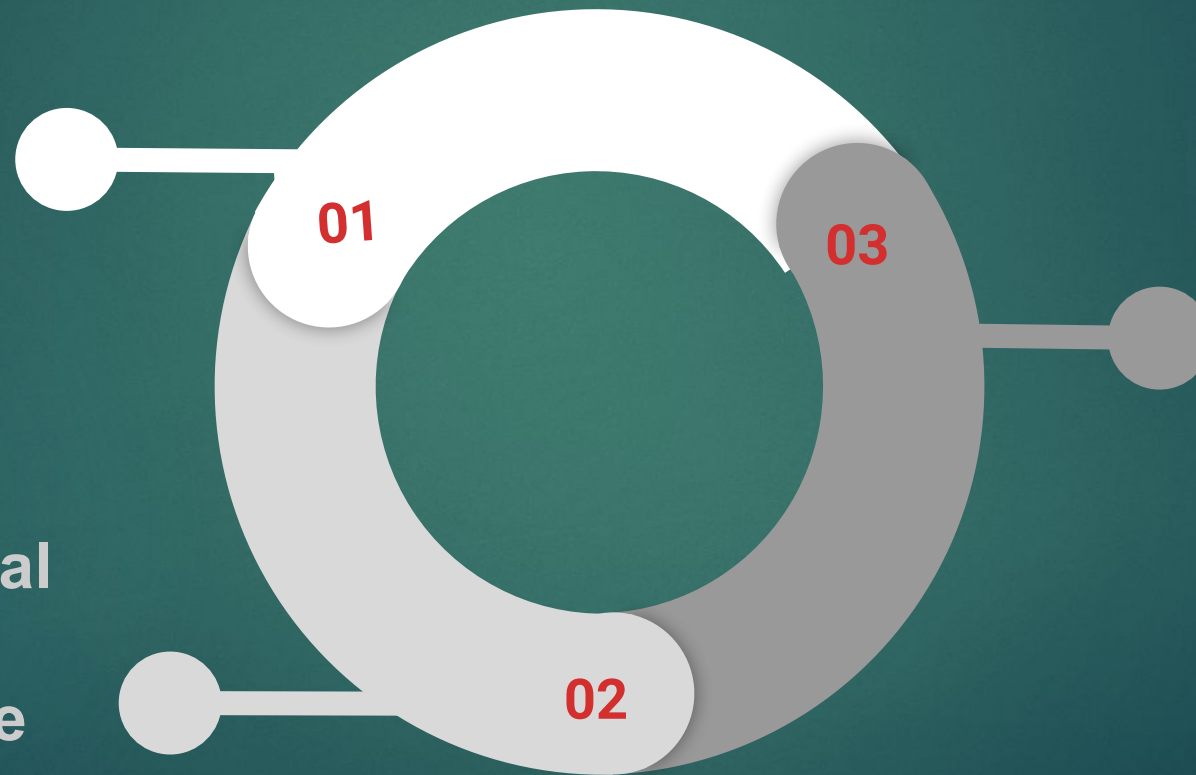
Over the last few years, the pension plan at Climate Enterprises has experienced some unexpected demographic movement. In order to resolve this issue, AOFF Consulting has been asked to look at previous years' data and explain/resolve this peculiar movement.



What are we trying to Achieve?

Create new assumptions to replace the outdated

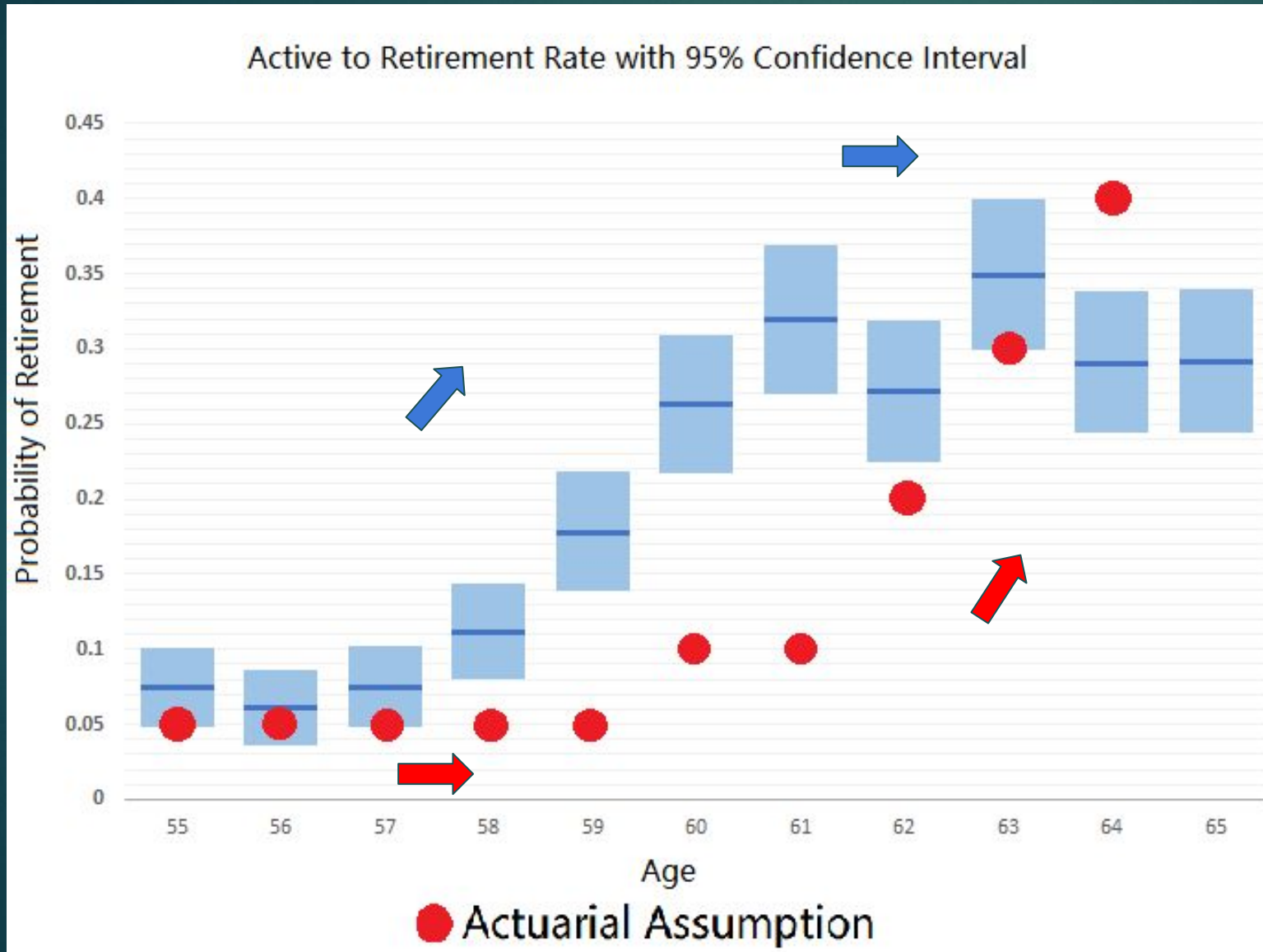
Using Actuarial Science to mitigate future risk.



Predict the change of future budget

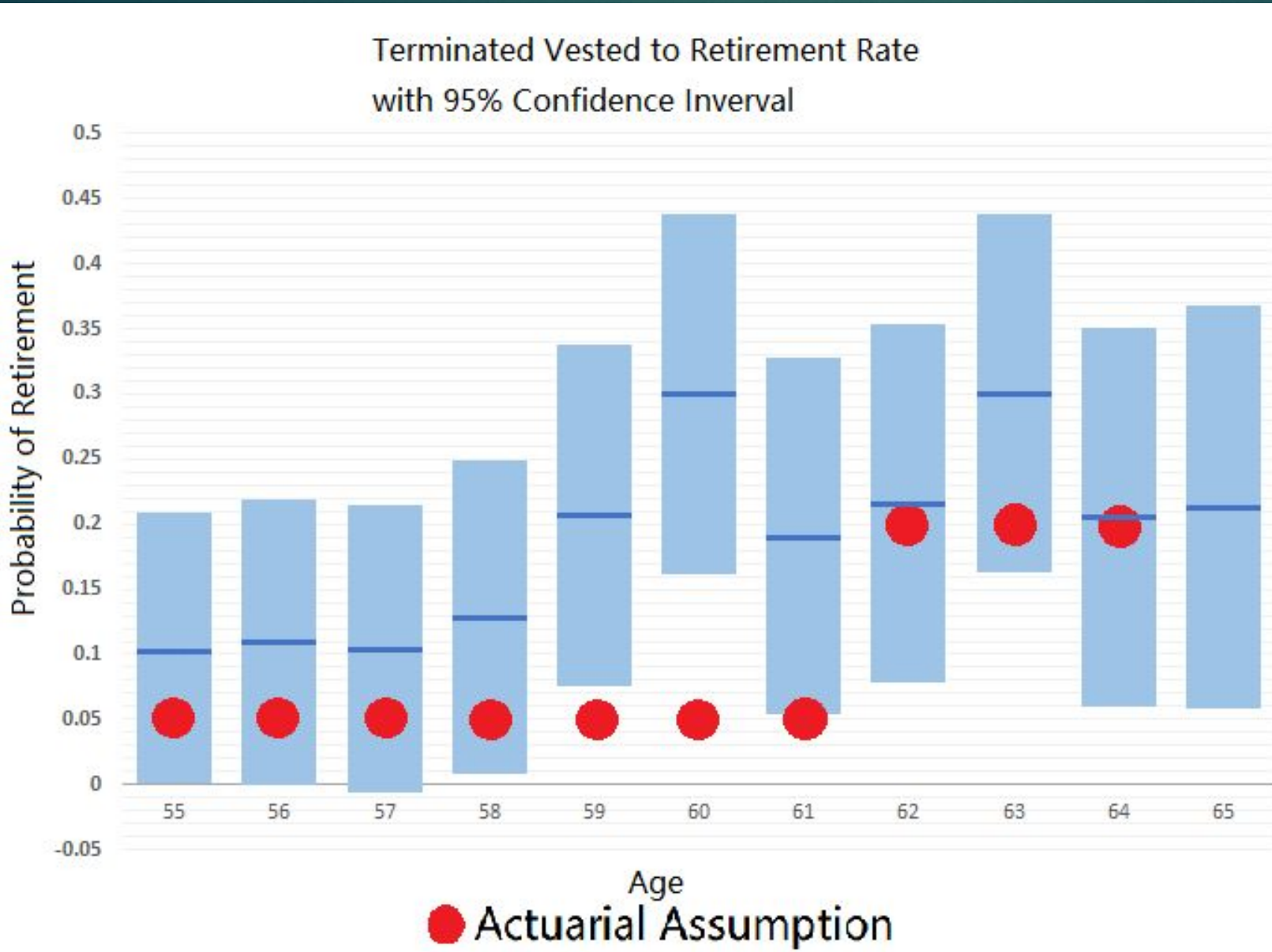
Comparison Between Actual Plan Experience & Current Assumptions

Active Retirement Rates



Note: The actuarial assumption for 65 is 100%

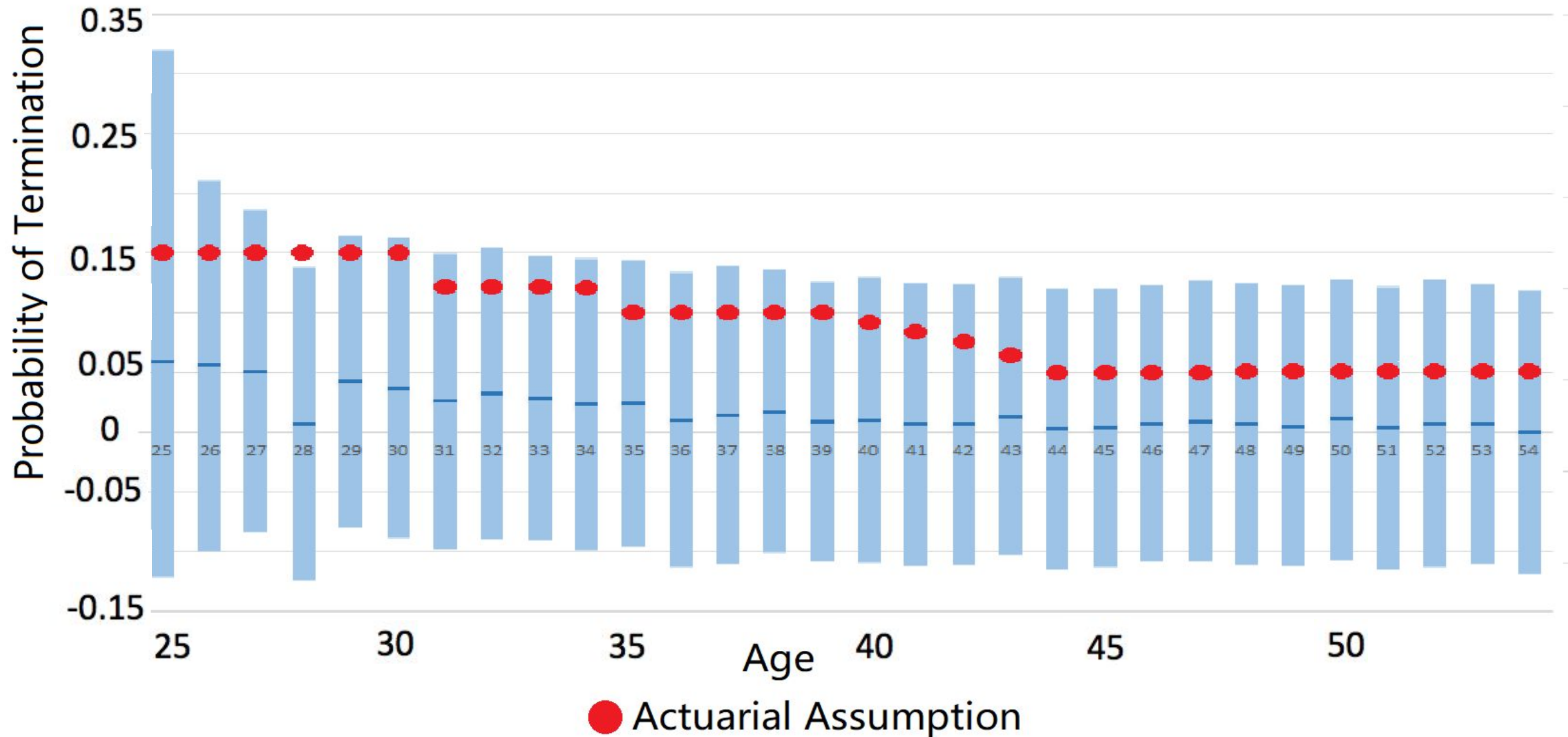
Terminated Vested Retirement Rates



Note: The actuarial assumption for 65 is 100%

Active Termination Rates

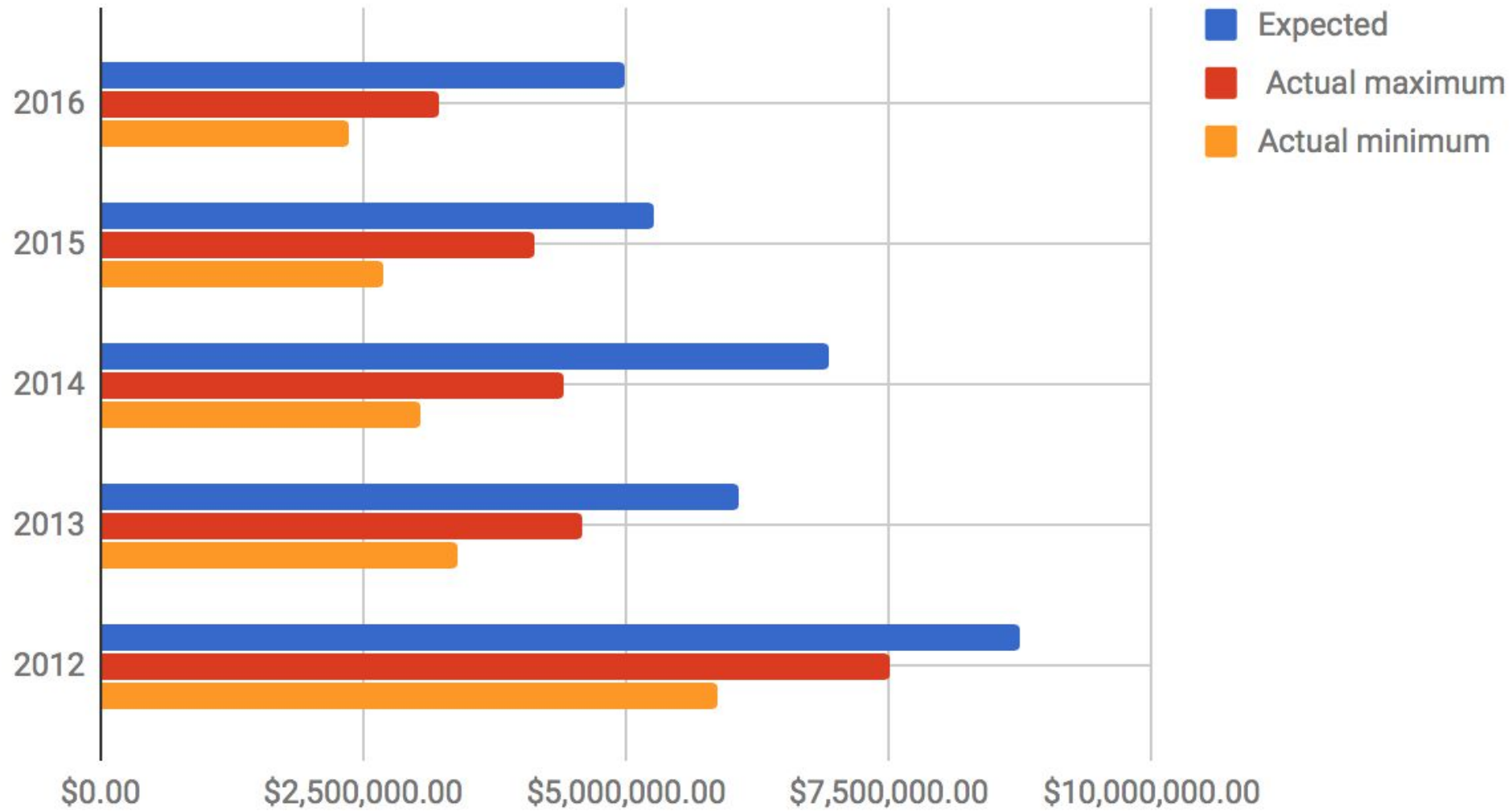
Active to Termination Rate with 95% Confidence Interval



Liabilities

What effect will the new assumptions have on Liabilities?

Liabilities



Ramifications

Using our data, we can conclude that there has been a shift in the normal retirement age.

Early Retirement

55 → 55

Normal Retirement

65 → 70

Proposed Plan

Active & Terminated Vested Retirement Rates

		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
ARR	Current	5%	5%	5%	5%	5%	10%	10%	20%	30%	40%	100%	N/A	N/A	N/A	N/A	N/A
	Proposed	5%	5%	5%	10%	15%	25%	25%	25%	30%	30%	30%	44%	58%	72%	86%	100%
TVRR	Current	5%	5%	5%	5%	5%	5%	5%	20%	20%	20%	100%	N/A	N/A	N/A	N/A	N/A
	Proposed	5%	5%	5%	5%	20%	20%	20%	20%	20%	20%	20%	36%	52%	68%	84%	100%

Proposed Plan

Active Termination Rates

Age	Current ATR
25-30	15%
31-34	12%
35-39	10%
40	9%
41	8%
42	7%
43	6%
44-54	5%

Proposed ATR				
Age		25-34	35-44	45-54
Years of Service	1	0.58%	8.09%	2.89%
	2	6.36%	14.45%	8.09%
	3	10.98%	15.03%	5.20%
	4	6.94%	6.94%	0.58%

Thank You!