SOCIETY OF ACTUARIES

Changes for Exam MLC Spring 2016 Syllabus
June 5, 2015

The following three changes will appear in the final published syllabus for this exam which will be available in early November. These changes do not affect the Fall 2015 syllabus or examination.

#1) The following is a replacement for Learning Objective 5 – Pension Plans and Retirement Benefits.

Learning Objective:
The Candidate will understand how the models from previous Learning Objectives apply to pension plans and retirement benefits.

Learning Outcomes:
The Candidate will be able to:
  a) Describe and compare defined contribution and defined benefit pension plans including final salary and career average earning plans.
  b) Identify and interpret the common states and decrements for pension plans, and the parametric and tabular models, including Markov chain models, associated with these decrements.
  c) Apply the models mentioned in learning outcome 5b to defined benefit pension plans and calculate and interpret replacement ratios, benefits, and their expected values with adjustments such as the early retirement reduction factor.
  d) Calculate and interpret the actuarial accrued liability and the normal cost for defined benefit plans under projected unit credit (PUC) and traditional unit credit (TUC) funding.
  e) Calculate and interpret the effect of changes in underlying assumptions such as mortality, other decrements and interest on the quantities mentioned in learning outcomes 5c and 5d.
  f) Apply to calculations involving defined benefit pension plans and benefits therein appropriate approximation methods such as uniform distribution of deaths, constant force, Woolhouse and Euler.

#2) The allocation of points by Learning Objective will be changed as follows:

Learning Objective 3 – Premium Calculations: 20-35%
Learning Objective 4 – Reserves: 20-35%
Learning Objective 5 - Pension Plans and Retirement Benefits: 10-20%

#3) There will be an additional section of required reading, Section 10.7 of the second edition of *Actuarial Models for Life Contingent Risks*.