

2008 Current Fiscal Year Report: Department of Defense Retirement Board of Actuaries

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1. Department or Agency

Department of Defense

2. Fiscal Year

2008

3. Committee or Subcommittee

Department of Defense Retirement Board
of Actuaries

3b. GSA

Committee No.

419

4. Is this New During Fiscal Year?

No

5. Current Charter

11/17/2007 11/17/2009

6. Expected Renewal Date

7. Expected Term Date

03/14/2008

8a. Was Terminated During Fiscal Year?

Yes

8b. Specific Termination Authority

Section 906 of Public
Law 110-181

8c. Actual Term Date

03/14/2008

9. Agency Recommendation for Next Fiscal Year

Terminate

10a. Legislation Req to Terminate?

Yes

10b. Legislation Pending?

Enacted

11. Establishment Authority

Statutory (Congress Created)

12. Specific Establishment Authority

10 U.S.C. 1464

13. Effective Date

10/19/1984

14. Committee Type

Continuing

14c. Presidential?

Yes

15. Description of Committee

Scientific Technical Program
Advisory Board

16a. Total Number of Reports

No Reports for
this Fiscal Year

17a. Open

0

17b. Closed

0

17c. Partially Closed

0

Other Activities

0

Meetings and Dates

No Meetings

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$6,000.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$60,000.00	\$0.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$0.00	\$0.00
18b(2). Travel and Per Diem to Federal Members	\$3,500.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Other(rents,user charges, graphics, printing, mail, etc.)	\$0.00	\$0.00
18d. Total	\$69,500.00	\$0.00
19. Federal Staff Support Years (FTE)	1.00	0.00

20a. How does the Committee accomplish its purpose?

The DoD Retirement Board of Actuaries determines the normal cost percentages that DoD must contribute for its full-time and part-time military members. This information is communicated from the Board in a letter to the USD(Comptroller). The retirement accrual runs close to 5% of the DoD budget. The Board also specifies the amortization contribution to the Military Retirement Fund from the General Treasury to be made each October 1. The Board also determines the full-time and part-time normal cost percentages contributed to the Fund by the

General Treasury to pay for the Concurrent Receipt benefits contained in NDAA 2004. The Board sends a letter to the SecDef, who in turn requests payment from Treasury. The Retirement Board also determines contributions to the Voluntary Separation Incentive Fund. This information is also communicated by the Board in a letter to the SecDef.

20b. How does the Committee balance its membership?

All three Board members are Fellows of the Society of Actuaries. Membership in the Society of Actuaries is a requirement in Public Law 98-94, which established the Board in 1984. The three members are experts in the technical aspects of pension plans and other fringe benefits. There is no particular point of view represented other than sound funding of pension benefits.

20c. How frequent and relevant are the Committee Meetings?

The Retirement Board holds one open meeting annually. These meetings are necessary to promulgate the unfunded liability payments and normal cost percentages to be used in calculating the accrual cost contributions into the Military Retirement Fund. At these meetings, the Board also determines the annual contribution to the Voluntary Separation Incentive Fund. Issues affecting military retiree and survivor benefits are also discussed.

20d. Why can't the advice or information this committee provides be obtained elsewhere?

Public Law 98-94 established a three-member DoD Retirement Board of Actuaries. The Board members generally come from private industry, where they earn extremely high salaries for their

level of expertise. The Board members are paid at the hourly rate of a GS-15, Step 10, which is far below what we would have to pay consultants for the same advice.

20e. Why is it necessary to close and/or partially closed committee meetings?

All meetings of the Board are open.

21. Remarks

Section 906 of Public Law 110-181 terminates the committee and merges its functions into a new advisory committee. During this fiscal year the committee held no meetings, and did not provide any advice or recommendations to the government's decisionmaker.

Designated Federal Officer

Inger M Pettygrove Designated Federal Officer

Committee Members	Start	End	Occupation	Member Designation
Bera-Morris, Marsha	01/23/1996	09/17/2009	Retired Actuary	Special Government Employee (SGE) Member
Hartnedy, John	09/17/1999	09/17/2014	Consulting Actuary	Special Government Employee (SGE) Member
Verlautz, James	07/18/2006	09/17/2019	Consulting Actuary	Special Government Employee (SGE) Member

Number of Committee Members Listed: 3

Narrative Description

The DoD Retirement Board of Actuaries is tasked with advising the Secretary of Defense on all actuarial matters necessary to make determinations on the Military Retirement Fund in order to finance liabilities of the Fund on an actuarially sound basis. The mission of the Board is to assist and advise the President, the Secretary of Defense, and the Congress on actuarial matters associated with

the Fund.

What are the most significant program outcomes associated with this committee?

Checked if
Applies

Improvements to health or safety	<input type="checkbox"/>
Trust in government	<input checked="" type="checkbox"/>
Major policy changes	<input type="checkbox"/>
Advance in scientific research	<input type="checkbox"/>
Effective grant making	<input type="checkbox"/>
Improved service delivery	<input type="checkbox"/>
Increased customer satisfaction	<input checked="" type="checkbox"/>
Implementation of laws or regulatory requirements	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

Outcome Comments

NA

What are the cost savings associated with this committee?

Checked if Applies

None	<input type="checkbox"/>
Unable to Determine	<input checked="" type="checkbox"/>
Under \$100,000	<input type="checkbox"/>
\$100,000 - \$500,000	<input type="checkbox"/>
\$500,001 - \$1,000,000	<input type="checkbox"/>
\$1,000,001 - \$5,000,000	<input type="checkbox"/>
\$5,000,001 - \$10,000,000	<input type="checkbox"/>
Over \$10,000,000	<input type="checkbox"/>
Cost Savings Other	<input type="checkbox"/>

Cost Savings Comments

The Board provides a valuable and necessary service to the Military Retirement Fund at a fraction of what these services would cost in the private sector.

What is the approximate Number of recommendations produced by this committee for the life of the committee?

Number of Recommendations Comments

The Board recommended in its most recent report to the President and Congress that DoD be required to pay for all retirement-related benefit increases rather than turning that responsibility over to Treasury. They also recommended that Treasury's participation in the gain/loss amortization be phased out in future.

What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?

0%

% of Recommendations Fully Implemented Comments

NA

What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?

0%

% of Recommendations Partially Implemented Comments

NA

Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?

Yes ☐ No ☒ Not Applicable ☐

Agency Feedback Comments

NA

What other actions has the agency taken as a result of the committee's advice or recommendation?

Checked if Applies

Reorganized Priorities	<input checked="" type="checkbox"/>
Reallocated resources	<input checked="" type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input type="checkbox"/>

Action Comments

NA

Is the Committee engaged in the review of applications for grants?

No

Grant Review Comments

NA

How is access provided to the information for the Committee's documentation?

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input type="checkbox"/>
Online GSA FACA Web Site	<input type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Access Comments

The DoD Office of the Actuary prepares an annual valuation of the Military Retirement System using methods and assumptions approved by the Board. These reports can be viewed at the Office of the Actuary's web site. The Office of the Actuary can also provide copies of the Board's Quadrennial Reports to the President and Congress.