

§ 901.0

20 CFR Ch. VIII (4–1–11 Edition)

Subpart C—Standards of Performance for Enrolled Actuaries

- 901.20 Standards of performance of actuarial services.

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AUTHORITY: Sec. 3042, subtitle C, title 3, Employee Retirement Income Security Act of 1974. (88 Stat. 1002, 29 U.S.C. 1241, 1242), unless otherwise noted.

SOURCE: 42 FR 39200, Aug. 3, 1977, unless otherwise noted.

§ 901.0 Scope.

This part contains rules governing the performance of actuarial services under the Employee Retirement Income Security Act of 1974, hereinafter also referred to as ERISA. Subpart A of this part sets forth definitions and eligibility to perform actuarial services; subpart B of this part sets forth rules

governing the enrollment of actuaries; subpart C of this part sets forth standards of performance to which enrolled actuaries must adhere; subpart D of this part is reserved and will set forth rules applicable to suspension and termination of enrollment; and subpart E of this part sets forth general provisions.

EFFECTIVE DATE NOTE: At 76 FR 17769, Mar. 31, 2011, § 901.0 was amended by removing the phrase “subpart D of this part is reserved and will set forth” and adding in its place the phrase “subpart D sets forth” in the second sentence, effective May 2, 2011.

Subpart A—Definitions and Eligibility To Perform Actuarial Services

§ 901.1 Definitions.

As used in this part, the term:

(a) *Actuarial experience* means the performance of, or the direct supervision of, services involving the application of principles of probability and compound interest to determine the present value of payments to be made upon the fulfillment of certain specified conditions or the occurrence of certain specified events.

(b) *Responsible actuarial experience* means actuarial experience:

(1) Involving participation in making determinations that the methods and assumptions adopted in the procedures followed in actuarial services are appropriate in the light of all pertinent circumstances, and

(2) Demonstrating a thorough understanding of the principles and alternatives involved in such actuarial services.

(c) *Month of responsible actuarial experience* means a month during which the actuary spent a substantial amount of time in responsible actuarial experience.

(d) *Responsible pension actuarial experience* means responsible actuarial experience involving valuations of the liabilities of pension plans, wherein the performance of such valuations requires the application of principles of life contingencies and compound interest in the determination, under one or more standard actuarial cost methods, of such of the following as may be appropriate in the particular case:

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- (1) Normal cost.
- (2) Accrued liability.
- (3) Payment required to amortize a liability or other amount over a period of time.
- (4) Actuarial gain or loss.
- (e) *Month of responsible pension actuarial experience* means a month during which the actuary spent a substantial amount of time in responsible pension actuarial experience.
- (f) *Applicant* means an individual who has filed an application to become an enrolled actuary.
- (g) *Enrolled actuary* means an individual who has satisfied the standards and qualifications as set forth in this part and who has been approved by the Joint Board (or its designee) to perform actuarial services required under ERISA or regulations thereunder.
- (h) *Actuarial services* means performance of actuarial valuations and preparation of any actuarial reports.

EFFECTIVE DATE NOTE: At 76 FR 17769, Mar. 31, 2011, § 901.1 was amended in paragraph (g) by removing the phrase “approved by the Joint Board (or its designee) to perform” and adding in its place the phrase “approved by the Joint Board for the Enrollment of Actuaries (the Joint Board), or its designee, to perform”, and by adding new paragraphs (i), (j) and (k), effective May 2, 2011. For the convenience of the user, the added text is set forth as follows:

§ 901.1 Definitions.

* * * * *

- (i) *Certified responsible actuarial experience* means responsible actuarial experience of an individual that has been certified in writing by the individual’s supervisor.
- (j) *Certified responsible pension actuarial experience* means responsible pension actuarial experience of an individual that has been certified in writing by the individual’s supervisor if the supervisor is an enrolled actuary. If the individual’s supervisor is not an enrolled actuary, the pension actuarial experience must be certified in writing by both the supervisor and an enrolled actuary with knowledge of the individual’s pension actuarial experience.
- (k) *Enrollment cycle* means the three-year period from January 1, 2011, to December 31, 2013, and every three-year period thereafter.

§ 901.2 Eligibility to perform actuarial services.

- (a) *Enrolled actuary*. Subject to the standards of performance set forth in

subpart C of this part, any individual who is an enrolled actuary as defined in § 901.1(g) may perform actuarial services required under ERISA or regulations thereunder. Where a corporation, partnership, or other entity is engaged to provide actuarial services, such services may be provided on its behalf only by an enrolled actuary who is an employee, partner or consultant.

- (b) *Government officers and employees*. No officer or employee of the United States in the executive, legislative, or judicial branch of the Government, or in any agency of the United States, including the District of Columbia, may perform actuarial services required under ERISA or regulations thereunder if such services would be in violation of 18 U.S.C. 205. No Member of Congress or Resident Commissioner (elect or serving) may perform such actuarial services if such services would be in violation of 18 U.S.C. 203 or 205.

- (c) *Former government officers and employees*—(1) *Personal and substantial participation in the performance of actuarial services*. No former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, shall perform actuarial services required under ERISA or regulations thereunder or aid or assist in the performance of such actuarial services, in regard to particular matters, involving a specific party or parties, in which the individual participated personally and substantially as such officer or employee.

- (2) *Official responsibility*. No former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, shall, within 1 year after his employment has ceased, perform actuarial services required under ERISA or regulations thereunder in regard to any particular matter involving a specific party or parties which was under the individual’s official responsibility as an officer or employee of the Government at any time within a period of 1 year prior to the termination of such responsibility.