



ASSOCIATION ACTUARIELLE INTERNATIONALE INTERNATIONAL ACTUARIAL ASSOCIATION

June 5, 2001

To: Full Member Associations of the International Actuarial Association (IAA)

Subject: **Guidelines for actuarial work provided with respect to Social Security Programs (SSPs)**

When it was established in August 1997 under the former International Forum of Actuarial Associations, the Social Security Committee (SSC) was mandated “to work with the International Social Security Association to develop and promulgate a standard of practice for actuaries making formal reports on social security systems”. This mandate was passed to the current Social Security Committee of the IAA when the new constitution was adopted in June 1998.

In many countries, actuarial professional bodies set professional standards and guidelines of practice for actuarial work on insurance and pension programs, but generally these do not apply to Social Security Programs (SSPs). Actuarial work on SSPs is also carried out in many countries where the profession is not well developed and where no actuarial standards of practice exist. The need for international guidelines of actuarial practice in this area has also been identified by the International Social Security Association (ISSA).

The SSC has now fulfilled the first part of its mandate and is hereby releasing for consultation a [preliminary exposure draft of international recommended practice guidelines applying to actuarial work on SSPs](#). The aim of these guidelines is to ensure that all actuaries involved in this type of work provide reliable evaluations and communicate the results effectively to the relevant publics. Since the circumstances in which actuarial reports on SSPs are prepared vary considerably, and in view of the fact that such reports may often be prepared by individuals who are not necessarily members of Full Member Associations of the IAA, it was decided that recommended practice guidelines would be developed rather than standards.

It is intended that the guidelines will in due course be promulgated not only through the international actuarial profession but also to social security institutions which are members of the ISSA, with a recommendation from ISSA to its members that it is appropriate that such guidelines be followed. The ISSA, and also other international organisations with an interest in this area, such as the International Labour Office and the World Bank, are being asked for their views on this preliminary exposure draft.

The period of exposure for this preliminary exposure draft will last until 31 October 2001. This will enable the SSC to bring a formal motion to the Council at its meeting in Cancun on 16 March 2002 to adopt the final exposure draft of the guidelines for exposure in 2002 and final approval at the Barcelona Council meeting on 21 October 2002. However, since the SSC will be meeting in Hong Kong at the beginning of October 2001 to consider the next steps, it would be very helpful if as many responses as possible to the exposure of this preliminary draft could be made by 25 September 2001. Comments should be submitted to the Executive Director of the IAA, Nicole Séguin, by e-mail to nicole.seguin@actuaries.org, or by fax on (1) 613 236 1386, and to the Chairperson of SSC, Hillevi Mannonen, by e-mail to hillevi.mannonen@ilmarinen.fi, or by fax on +358 9 184 3270.

IAA Member Associations are asked to consider the draft guidelines and to consult, where possible, with any of their members who advise SSPs, both to bring these guidelines to their attention and to solicit their comments and suggestions.

Respectfully yours,



Yves Guérard
Secretary General

Attachment