

The Joint Board for the Enrollment of Actuaries

by Sally J. Zavattari, FSPA, CPC

What is the Joint Board for the Enrollment of Actuaries?

ERISA created the Joint Board for the Enrollment of Actuaries (JBEA) to develop and oversee the process by which a person becomes an Enrolled Actuary. ERISA also created the Enrolled Actuary (EA), an individual who is qualified (under JBEA guidelines) to perform certain calculations for defined benefit plans. ERISA also requires the JBEA to oversee the continued qualification of EAs to perform the actuarial functions required under ERISA.

What Does the “Joint” in Joint Board Stand For?

“Joint” refers to the joint jurisdiction that ERISA granted to the Department of Labor (DOL) and the Internal Revenue Service (IRS) over retirement plans. The Joint Board is made up of DOL and IRS representatives appointed by their respective agencies, and it is headed by an Executive Director. For the last few years, a representative of the Pension Benefit Guaranty Corporation, which insures the benefits of workers covered by defined benefit plans, has also been an ex-officio member of the JBEA.

How Does the JBEA Determine if an Individual is Qualified to Become an Enrolled Actuary?

The JBEA oversees the administration of a series of three examinations that an individual must pass to be enrolled as an actuary. In addition, three years of responsible actuarial experience is required. Once a candidate has passed the examinations, the candidate must submit an application to the JBEA, which must include information on the experience the candidate has had in performing responsible actuarial work.

Do the Members of the JBEA Create the Examinations?

No. The JBEA has appointed an Advisory Committee to actually prepare the examinations. The Advisory Committee is made up of Enrolled Actuaries who are representatives of ASPPA, the Society of Actuaries (SOA) and the IRS. A cross-section of actuaries with both large and small plan experience is maintained so that the examinations reflect the skills necessary for the defined benefit marketplace. ASPPA, the SOA and the IRS each submit candidates to the JBEA as their

representatives, and the JBEA selects those candidates with the skills and qualifications needed on the Advisory Committee. One member of the Advisory Committee is selected as the coordinator, who is currently Carl Shalit, MSPA.

How are the EA Examinations Written?

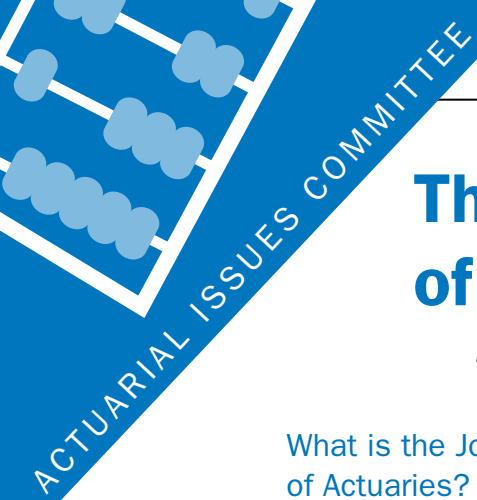
An examination committee is established for each examination. Each examination committee has a chair and vice-chair, who is alternately an ASPPA or SOA member. The examination committee members are volunteers from ASPPA and the SOA, and they write and perform a preliminary review of the questions to be submitted to the Advisory Committee for each examination cycle. Once the examination committee has prepared at least twice the number of questions needed for the examination, the chair and vice-chair submit the questions to the Advisory Committee. The Advisory Committee performs an extensive review of the submitted questions and solutions and selects the questions to be used on the examination. The question selection process involves a blueprint that has been developed for each examination to ensure coverage of the topics outlined in the examination syllabus.

Can I Volunteer to be an Item Writer on an Examination Committee?

Yes. Contact me at sally@asgpension.com if you would like to be an item (question) writer. You must be an Enrolled Actuary in good standing. The examination process starts with a conference call for the examination committee with the chair and vice-chair. Topics are assigned to each member of the committee, as well as an “exchange” partner. You will submit the completed questions (and detailed solutions) to your assigned partner for review, and you will receive her/his questions for review. Once the initial preparation and review is completed, the examination committee will meet to review and rewrite all of the questions to be submitted to the Advisory Committee. You will receive core JBEA Continuing Professional Education (CPE) credit for your work on the examination committee.

What Does the Advisory Committee Do with the Questions Submitted by the Examination Committees?

Because ERISA and the promulgations by the various government agencies are so complex, the Advisory Committee performs a thorough review of the questions



Members of the Joint Board for the Enrollment of Actuaries:

Patrick McDonough, Executive Director
 Lawrence J. Heberle, IRS
 Lawrence E. Isaacs, IRS
 Michael Roach, Office of the Assoc. Chief Counsel/TEGE, IRS
 Paulette Tino, IRS
 Rudy Nuissel, DOL
 Zenaida Samaniego, DOL
 Emmett F. Williams, DOL (Alternate)
 Joan M. Weiss, PBGC

Members of the Advisory Committee:

Carl Shalit, MSPA, ASPPA, Coordinator
 Lawrence Deutsch, MSPA, ASPPA
 Janet S. Eisenberg, MSPA, ASPPA
 Ann Gineo, SOA
 Pamela Marlin, SOA
 Ho Kuen Ng, SOA
 Hal Tepfer, SOA
 Carolyn Zimmerman, SOA
 Yehuda B. Haber (Alternate)

submitted for each examination before selecting questions to be used on the examination. The Advisory Committee has four two-day meetings each year for this purpose.

What Happens After the Advisory Committee has Selected the Examination Questions?

Because ambiguities and errors can occur even after this rigorous review process, after the Advisory Committee has selected the final questions to be part of the examination, a mock “test” is conducted using volunteers from ASPPA, the SOA and the IRS. These volunteers take the actual examination that will be taken by enrollment candidates and submit comments on the questions to the SOA and ASPPA. These “pre-testers” meet with representatives of ASPPA, the SOA, the IRS and the Advisory Committee after taking the examination to review the comments and work out any ambiguities or other problems in order to finalize the test.

What Other Functions Does the Advisory Committee Perform?

The Advisory Committee makes recommendations to the JBEA on the content and subject matter of each examination, as well as the pass mark to be set for each examination. The Advisory Committee also assists in developing the syllabus and reading list for each examination in conjunction with representatives of ASPPA, the SOA and the IRS.


How Do I Apply to Become a Member of the Advisory Committee?

When there are openings on the Advisory Committee, the JBEA requests nominations from ASPPA, the SOA and the IRS. Since familiarity with the examination process is helpful, ASPPA nominations are often made from members of the examination committees. You may contact Susan J. Chambers, FSPA, if you would like to be considered for a nomination on the Advisory Committee. The JBEA (not ASPPA, the SOA or the IRS) actually selects the members of the Advisory Committee.

Is ASPPA’s Involvement in the Enrollment Process Limited to Having Representatives on the Advisory Committee and Examination Committees?

No. Because ASPPA has a large actuarial membership, ASPPA also sends two representatives to the Advisory Committee meetings where the examination pass marks are set and the syllabus and reading lists are updated to oversee the interests of ASPPA’s actuarial members. These liaisons also attend the pre-tester meetings. These representatives are currently myself and Howard L. Simon, MSPA.

What Other Responsibilities Does the JBEA Have?

In addition to ensuring initial qualification of candidates who are to be enrolled, the JBEA is responsible for continued qualification of Enrolled Actuaries. One way the JBEA accomplishes this task is by requiring CPE for all Enrolled Actuaries. Every third year, each EA must submit an application to the JBEA to renew her/his enrollment number. Part of the application process is substantiating that the individual has satisfied the CPE requirement for the three-year cycle. The JBEA selectively audits the applications to ensure compliance with the CPE requirements. The JBEA is also responsible for enforcement in cases where failure of an actuary to discharge her or his duties under ERISA has occurred. 



Sally J. Zavattari, FSPA, CPC, is president of Actuarial Services Group, Inc., an actuarial and retirement benefits consulting firm in Dallas, TX. She has been in the employee benefits field for 28 years and has served on ASPPA’s Board of Directors and many committees. She is an Enrolled Actuary, but her practice includes all types of retirement plans, including defined benefit, profit sharing/401(k), money purchase, ESOP, 403(b) and 457 plans (sally@asgpension.com).

Help Wanted: ASPPA Liaison Needed to JBEA

There is an immediate opening for an ASPPA liaison to the JBEA. Hobnob with the best and the brightest in the actuarial field, as well as IRS and DOL representatives, at two two-day meetings per year (January and June) and one one-day meeting for the examination pre-testing. Preparation time for each meeting is six to eight hours, depending on the meeting. If interested, please contact Bunny Fernhall at bfernhall@asppa.org.