

ASPPA

STRATEGIC PLAN

As approved by the Board of Directors on April 12, 2008.

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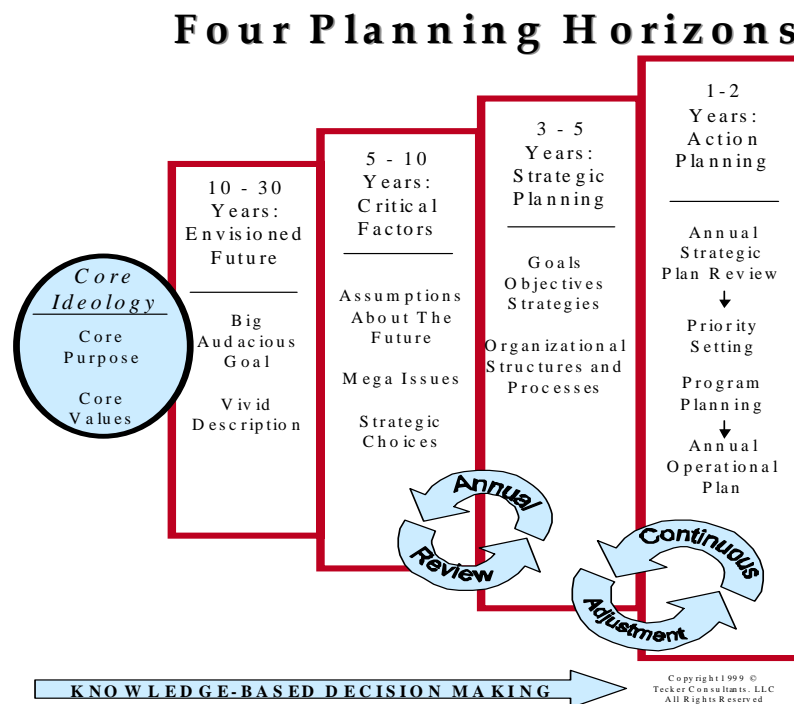
INTRODUCTION

A Strategic Planning Session was held in Philadelphia on August 11 & 12, 2001 with a planning team of 15 ASPPA leaders (two who were invited were unable to attend). Kermit Eide, a Principal Partner of Tecker Consultants, LLC, facilitated the session. The outcomes of this session included: Planning Assumptions, draft Core Ideology, a preliminary Envisioned Future and discussion regarding Membership/Stakeholder Structure. The Board continued conversations during the next year on Core Purpose and Core Values.

On July 26, 2002, the Board met in San Diego to continue development of a draft strategic plan. The Executive Committee met on December 6, 2003 in Dallas to complete this draft plan for consideration by the Board in January 2004. The Board subsequently approved it in January 2004, and the intent is that the Board will review the document and update it each year as appropriate.

Planning Framework

The four planning horizons below serve as a planning framework:



Next Steps

- ◆ Review of draft plan the Board of Directors
- ◆ Setting priorities among objectives
- ◆ Developing Action/Implementation Plans and link to budget - responsibility, evaluation, etc. - for high priority objectives

CORE IDEOLOGY

~ TIMELESS ~

*Core Ideology describes an organization's identity that transcends all changes related to its relevant environment. Core ideology consists of two notions: **Core Purpose** – the organization's reason for being – and **Core Values** – essential and enduring principles that guide an organization, its behaviors and actions.*

Core Purpose

To educate all retirement plan professionals and preserve and enhance the employer-based retirement system

Core Values

Courage (taking the high road and doing what is right for the system and participants)

Dedication (committed to dignified retirement for individuals; committed to professionalism in the system; striving for excellence)

Integrity (ethical conduct; accountability; fostering compliance)

Mutual Respect (among retirement plan professionals)

Responsiveness (when change occurs, taking initiative to help make it work)

Strategic Thinking (fostering innovation and creativity; looking toward the future; advocating changes needed to reach goals)

Fundamental Policy Statements

ASPPA members are individual retirement plan professionals who work in a highly diversified, technical and regulated industry who have chosen to be among the most dedicated practicing in the profession, and who view retirement plan work as a career.

The employer-based retirement system is an essential part of a national retirement income policy.

All employers, regardless of size, should have equal and fair access to the retirement system.

Flexibility is important in the design of retirement programs.

We need to work towards an employer-based retirement system that provides adequate retirement income security for all working Americans.

We are committed to professionalism and the roles of professionals in employer-based retirement programs, and professionalism is best achieved through ongoing continuing education.

We are committed to represent small pension plan actuaries within the actuarial profession overall.

ENVISIONED FUTURE

~ 10-30 YEAR HORIZON ~

Envisioned future conveys a concrete, but yet unrealized, vision. It consists of a Big Audacious Goal and a vivid description of what it will be like when the goals are achieved. The Envisioned Future defines what success will look like.

ASPPA is the premier educator of all retirement plan professionals and the preeminent voice and advocate for the employer-based retirement system. Retirement plan professionals view ASPPA membership as essential to their success.

VIVID DESCRIPTION (WHAT SUCCESS WOULD LOOK LIKE)

The Retirement System

- The percentage of Americans covered by the employer-based retirement system is substantially increased.
- All employers regardless of size perceive employer-based retirement plans as essential to doing business.
- Flexibility exists in retirement plan design to address the individualized needs of employers.
- The concept of an adequate retirement would take into consideration health care and other expenses relating to an individual's retirement years that may require income needs above normal salary replacement goals.
- The government provides meaningful oversight of all employer-based retirement plans.
- Defined benefit plans will always play an important role in our nation's retirement plan system.

ASPPA

- ASPPA is the visionary shaping the future of the employer-based retirement system.
- ASPPA is the preeminent voice and resource on retirement plan policy.
- ASPPA sets the standard for professionalism in the retirement plan industry.
- ASPPA is respected for its capacity to adapt to changes in the retirement plan industry and government policy.
- Organizations in related fields view ASPPA as the preeminent organization for retirement plan professionals.
- The public views ASPPA as the preeminent organization for retirement plan professionals.
- ASPPA is recognized by national media as a preeminent resource on retirement policy and the retirement plan industry.

ASPPA Membership

- Membership in ASPPA is considered an essential part of being a retirement plan professional.
- The public recognizes the value of and seeks the expertise of credentialed ASPPA members.
- Plan sponsors and their advisors seek credentialed ASPPA members to help them develop and maintain retirement plans.
- Retirement plan service providers seek credentialed ASPPA members as employees.
- The government recognizes credentialed ASPPA members for their expertise on retirement plans.

ASPPA'S STRATEGIC GOALS

~ 3 - 5 YEAR PLANNING HORIZON ~

Goals describe the priorities for ASPPA over the next three to five years. Actions by ASPPA as an organization should further and not deter from these goals. These goals should be reviewed on an annual basis and reprioritized or modified as needed.

Goal A Preeminent Educator

ASPPA will be acknowledged as the premier educational and credential-issuing organization for all retirement plan professionals.

Goal B Preeminent Advocate

Government will consistently rely on ASPPA to provide primary input when developing retirement policy.

Goal C Leader in Defining Professionalism

All stakeholders will recognize credentialed ASPPA members as the leading professionals in the industry.

Goal D Greater Recognition of ASPPA

ASPPA will gain greater recognition as the premier organization for retirement plan professionals.

GOALS AND OBJECTIVES

~ 3 - 5 YEAR PLANNING HORIZON ~

***Goals** describe the outcomes the organization will achieve for its stakeholders (members, customers, the association itself, etc.). Three to five-year time frame; reviewed every year by the Board.*

***Objectives** describe what we want to have happen with an issue. What would constitute success in observable or measurable terms? Indicates a direction - increase, expand, decrease, reduce, consolidate, abandon, etc. Reviewed every year by the Board.*

Goal A Preeminent Educator

ASPPA will be acknowledged as the primary educational organization for all retirement plan professionals.

Objectives (7)

- A1. Expand ASPPA's delivery of non credential-based education for retirement plan professionals.
- A2. Increase accessibility, through effective use of technology, of education programs to those working in the retirement plan industry.
- A3. Expand the utilization of ASPPA's education programs within the retirement plan industry.
- A4. Increase attendance at conferences.
- A5. Retool ASPPA's current education program.
- A6. Universities and other educational institutions incorporate ASPPA accreditation programs into their curriculum.
- A7. Increase utilization by retirement plan service providers of ASPPA's education programs as their primary training resource.

Goal B Preeminent Advocate

Government will consistently rely on ASPPA to provide primary input when developing retirement policy.

Objectives (7)

- B1. Increase political involvement among our members.
- B2. Promote measures intended to strengthen the employer-based retirement plan system.
- B3. Prevent federal or state legislation that is detrimental to the employer-based retirement plan system.

- B4. Increase the influence and effectiveness of the PAC.
- B5. Ensure that all businesses regardless of size have a fair opportunity to offer a retirement plan for their employees.
- B6. Partner with government to encourage employees to appreciate the importance of retirement savings.
- B7. Balance the advocacy needs of ASPPA's diverse membership.

Goal C Leader in Defining Professionalism

All stakeholders will recognize credentialed ASPPA members as the leading professionals in the industry.

Objectives (5)

- C1. Increase the number of credentialed ASPPA members who seek additional ASPPA credentials.
- C2. Secure ERPA contract.
- C3. Encourage retirement plan service providers to seek and support the development of credentialed ASPPA members as employees.
- C4. Plan sponsors and their advisors will seek credentialed ASPPA members to help them develop and maintain retirement plans.
- C5. Maximize opportunities to define professionalism in the retirement plan marketplace.

Goal D Greater Recognition of ASPPA

ASPPA will gain greater recognition as the premier organization for retirement plan professionals.

Objectives (7)

- D1. Elevate awareness, exposure and capacity for outreach through the media.
- D2. Increase the percentage of retirement plan professionals who view ASPPA membership as essential to their success.
- D3. Enhance the communication of the value of ASPPA membership.
- D4. Create sustainable bonds that lead to lifetime ASPPA commitment.
- D5. Increase opportunities to form partnerships and alliances with other industry associations, vendors and educators.
- D6. Help advisors understand the need for and roles of plan sponsors and qualified retirement plan professionals.
- D7. Establish ASPPA as the source for finding professionals who will provide quality retirement plan services.

MEGA ISSUES

~ 3-5 YEAR PLANNING HORIZON ~

*Mega-issues are issues of strategic importance that represent challenges the organization will need to face in achieving its vision. They represent potential impediments to achievement of the envisioned future and form a basis for dialogue about the **choices facing the organization**. These questions may serve as an ongoing source of strategic issues for future meetings of the Board of Directors, Executive Committee, or other designated groups.*

1. What is the proper governance structure for ASPPA?
 - a. Is the leadership reflective of our diverse membership?
 - b. Is the current size and makeup of the Board appropriate to accomplish ASPPA's long-term goals?
2. How will we decide which industry-related issues to address and which to not address? (particularly related to advocacy role of ASPPA)
 - a. Can we continue to afford to be the 'guardian of the industry?'
 - b. Is the size of plan sponsor or type of member employer being affected a relevant factor in deciding which issues should be addressed?
 - c. What criteria should be used in determining whether state-level activity affecting retirement plans warrants ASPPA's attention?
3. What value, if any, would there be in having qualifications and/or practice standards for our non-actuarial members?
4. How do we assure ASPPA's continued financial health?
 - a. Where will dollars come from to support ASPPA in the future?
 - b. What impact will consolidation have?
5. What programs and services should we provide to key segments of the growing membership?
6. What is the most efficient and effective way of becoming the preeminent education organization?
 - a. Can we continue with our current approach of relying heavily on volunteers?
 - b. What other models could be considered?
7. What is our vision for future educational programming?
 - a. How will we determine the content of future educational programs? Will we decide what the qualifications for a professional should be, and/or meet the training needs of the industry as they perceive them to be?
 - b. Would we be willing to provide customized training? Is it economically feasible?

- c. Do we want to develop educational programs that would intentionally not lead to a credential?
 - d. Do we want to offer our education programs at the college level?
8. Are we a professional society or a trade association? Or a hybrid?
 9. What is the role of the ABCs? How do we integrate them into national? Should we continue to expand the number of ABCs? If so, what criteria?
 10. What is a retirement plan “professional”?
 11. Who are our core members? And what are the implications of that understanding?

[Note: A core member is defined as “those who are central to the identity of the organization.” Members, customers and stakeholders may participate in the association and have access to its products and services, as long as interests of the core membership are not compromised.]
 12. How will ASPPA deal with the generation gaps in its membership and what will ASPPA do differently to attract and meet the needs of the new generation?
 13. What will ASPPA do to ensure that ASPPA continues to be recognized as one of the US actuarial organizations?

APPENDIX

ENVIRONMENTAL SCAN ~ 5 YEAR PLANNING HORIZON ~

Because we plan for the future and not for the present, we begin planning by determining what we think the relevant future environment will look like during the life of the plan. We attempt to project what the world in which the organization operates, and hence the expectations of those it serves, will be.

In each category, we have identified relevant conditions, trends, and/or assumptions:

Conditions – a dynamic or phenomenon that exists now

Trends - change in progress and the direction of the change

Assumptions – a condition or attribute we anticipate will exist in the future (we may or may not see any evidence of this today); an informed, intuitive judgment you make

Social/Cultural Factors

Conditions - a dynamic or phenomenon that exists now

- The Social Security system is heading toward a crisis, and will need to undergo significant change.
- Health care issues are increasingly important.

Trends - change in progress and the direction of the change

- An acceleration in the increasing cost of health care.
- Retiring Boomers starting small businesses.
- Greater interest in phased retirement.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- The number of retirees will increase significantly and people will invest differently than they do today.
- There will be new pressures on the private pension system.
- People will be living and working longer.
- Discretionary time will diminish; less time for volunteerism.
- Consumers will increasingly expect more for less, and more immediately/faster.
- Long-term care needs will have a significant impact on retirees.
- Younger ASPPA members take certain types of technology for granted and will expect information to be delivered in more progressive ways.

Business and Economic Climate

Conditions - a dynamic or phenomenon that exists now

- Increased outsourcing of work to other countries; globalization of labor-intensive areas.
- Some member firms have clients with non-US clients.

Trends - change in progress and the direction of the change

- Continued consolidation of businesses and institutions.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- The number of entrepreneurial small businesses will increase.
- Practitioners in the US will need foreign compliance training.

Government/Political/Legal Environment

Conditions - a dynamic or phenomenon that exists now

- The current administration is focusing on a consumption tax model.
- Proposals to mandate salary reduction IRAs.
- Congress is operating under a pay as you go model.
- The Internal Revenue Service has implemented a new credential for retirement plan professionals (Enrolled Retirement Plan Agent, or ERPA).
- Implementation of the Pension Protection Act of 2006.
- Increased interest in government run retirement savings programs.
- Reversion to increased government oversight and enforcement.
- Increased litigation on retirement plans.
- Use of automatic enrollment in retirement savings vehicles.
- Increased interest in hybrid plans especially in the small plan market.

Trends - change in progress and the direction of the change

- There is a move away from a savings-based system to a distribution-based system.
- Employers are abandoning large Defined Benefit plans.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- Fiduciary litigation will impact plan formation and maintenance of plans.
- Retirement plan fees will come under increased scrutiny by the government and plaintiffs' attorneys.
- Demographics will continue to create pressure for government to create legislation to increase pension coverage.

- The future of our industry will always be impacted by politics, rather than based on a National Retirement Income policy; this is beyond our control.
- Regulation will increase.
- Litigation will increase, resulting in increased pressure for regulation. (Increases need for trained professional)
- Institutional vendors will push for legislation that suits their needs, at times in conflict with the needs and interests of small TPAs.
- The future of social security will have a large impact on our industry.
- State regulations in health care will increase with potential impact on our industry.
- Decline in large Defined Benefit plans may threaten the continued incentives for smaller Defined Benefit plans.
- Pay as you go legislation may increase concerns about the maintenance of tax incentives relating to retirement plans.

Science/Technology

Trends - change in progress and the direction of the change

- Advances in technology are affecting the marketplace.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- Technology will change how ASPPA operates as an organization, and how ASPPA members operate.
- The Internet will play a greater role in delivering information, education, and administrative functions.
- Technology will drive costs down/"commoditize" services.
- Breakthroughs in science will change longevity; people will live longer.

Industry-Specific Factors

Conditions - a dynamic or phenomenon that exists now

- Volunteers are "burning out"; the pool of volunteers is decreasing.
- All of ASPPA's revenue sources are faced with increased competition.

Trends - change in progress and the direction of the change

- Traditional administrative work handled by our members is being taken over by investment providers.
- Politicization of the retirement plan system is increasing in a negative way.

- There are examples of increased polarization of how retirement planning needs to be handled in the future, e.g., in the under-funding of pension plans.
- There is a drive toward simplification.
- Proliferation of credentialing programs.
- The definition of a retirement plan professional is expanding.

Assumptions - a condition or attribute that we anticipate may exist in the future; an informed, intuitive judgment

- There will be fewer small Third Party Administrator firms (with major impact on membership and ASPPA).
- ASPPA will have a more difficult time financially (as we grow larger, membership dues will cover a decreasing percentage of what we could do; competing for educational, promotional dollars).
- ASPPA's membership will be very different from what it is today, e.g., an increase in the number of people who are not doing small plans, more actuaries, more investment people.
- DCs will continue to thrive, with traditional DBs never returning to the "glory years", but with some increase in DB plan creation.
- Professionals in the industry will continue to become more specialized.
- Aggregation of all financial information for a participant or employer (checking account, IRAs, savings, 401(k), etc.) will increasingly occur, especially via the Internet, with participant direction of **all** retirement accounts (not just 401(k), but also PSP, DB).
- The trend from bundled to unbundled arrangements will probably continue for a few years.
- Highly commoditized market segment.

Wildcards

What one or two occurrences, that are not possible today, if they did happen, would change everything?

- Mandated employer retirement plans for all businesses
- Adoption of a flat tax system
- Punitive damages in ERISA
- Government takes over the retirement plan system

CONDITIONS RELATED TO SELECTED GOALS

Conditions related to goals describe a current situation or potential situation in the future related to the goal. Conditions are used to determine appropriate objectives... by creating an objective for each important condition that describes the change in the condition we seek to achieve.

Goal C Leader in Defining Professionalism

All stakeholders will recognize credentialed ASPPA members as the leading professionals in the industry.

Conditions

- It is difficult to measure the level of competence in the marketplace today.
- There are not a sufficient number of credentialed members available in the marketplace.
- Financial and time considerations (requirements to obtain credential) sometimes come into play.
- There are unqualified individuals providing plan services.
- There is a resistance to compliance because there is a perception that there is no realistic enforcement in this area.

Goal D Greater Recognition of ASPPA

ASPPA will gain greater recognition as the premiere organization for retirement plan professionals.

Conditions

- Pension plans are becoming much more political.
- There is enhanced media attention on retirement policy.
- ASPPA is not considered a primary resource for the media.
- The American Benefits Council and others have devoted more resources to media recognition and visibility.
- To a great extent, ASPPA is an “undefined” organization.
- ASPPA has not spent time and dollars to increase exposure with the media.
- Qualified people are difficult to find.
- Many companies do not perceive the need or value in hiring ASPPA-credentialed members.
- Plan sponsors don’t know about ASPPA or why they need ASPPA-credentialed members.
- Plan sponsors are getting bad advice and don’t understand why they need expertise.

MEMBERSHIP/STAKEHOLDER STRUCTURE¹

Members – persons and/or companies that will benefit from the advancement of the association’s core purpose and are eligible and willing to join.

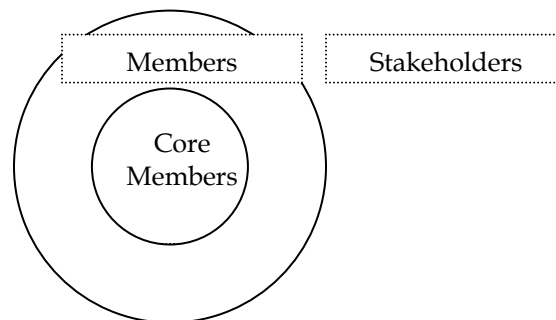
Core Members – those persons and/or companies that are central to the association; the segment(s) of members that the association cannot afford to lose. The association must insure the core members find value in their membership.

Stakeholders – those having an interest in industry issues/activities but are either not eligible to join or perceive no additional benefit to be derived from membership affiliation. Stakeholders are often customers who receive services or pay for what they use on a case-by-case basis or those who want access to core members.

ASPPA, to position itself as the “premier educator” and the “preeminent voice,” will make decisions within a framework of three questions:

1. What is it we want to accomplish?
2. What must we do in order to accomplish it?
3. Who needs or wants to be involved in the process of accomplishing it?

Specifically, this three-question framework will influence decisions about the ASPPA membership and stakeholder structure.



Core Members. The core members of ASPPA will be defined as credentialed members (ASPPA-credentialed members and APMs)

Members. Affiliates, individual members of the ABCs and student members.

Stakeholders. There are a number of stakeholder segments important to ASPPA and its members, including but not limited to governmental officials, employers (clients of members), etc.

¹ This section reflects preliminary thinking from the 2002 session, which was not reviewed by the Executive Committee in December 2003. Note that the question regarding core membership of ASPPA is listed as a mega issue to be considered in the future.