

1966 | 2016

From Adversity to Excellence

THE CELEBRATION OF ASPPA'S
50 YEARS AT THE FOREFRONT OF THE
RETIREMENT INDUSTRY STARTS HERE.

BY JOHN ORTMAN

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Secretary of State



This photo taken at the 1969 Annual Conference shows Bill Hand, Harry Eidson, Carl Duncan, featured speaker Isadore Goodman of the IRS and Bill White (L-R). Eidson, Duncan and White were the founders of ASPPA.

As ASPPA begins its 50th anniversary year, the Society and its members find themselves at a crossroads, facing an uncertain future. Significant challenges to the industry and the organization lie ahead. The private retirement system must be preserved and protected, and strategic decisions about ASPPA's future must be made.

As always, those decisions will be informed by the big decisions and accomplishments of the Society's past. These accomplishments include protecting the profession in the 1960s; a commitment to education, certification and conferences in the 1970s; government advocacy in the 1970s and 1980s; and growth via inclusion in the 2000s and 2010s.

Throughout its existence, ASPPA has met the challenges of the future by expanding its horizons — defining “pension professionals” more broadly, adding new focuses of activity such as government affairs, and reshaping its educational outreach through novel ways of teaching and examining members and creating new professional designations — and then applying its longtime values to the new horizons.

Will the ASPPA of the future look much different from today's organization? “ASPPA will grow, and it will take on other partners,” says 2007 President Chris Stroud, “but I don't see it changing its mission. And I can't imagine my life without ASPPA.”

Over five decades, ASPPA has presented a remarkable story of hardscrabble creation, dire straits, controversial evolution, and growth. The organization is both a survivor and a success. “I can't believe it. I just cannot believe it,” says 90-year-old Carl Duncan, a founder of ASPPA in 1966 who served as the Society's second president in 1971. “Going from our little threesome in the Circus Bar of the Monteleone Hotel in New Orleans, where ASPPA began to take shape, to nearly 8,000 members, that just blows my mind. I can't believe it has happened.”

It's said you can't know where you're going if you don't know where you've been. ASPPA's 50th year

“We get an odd feeling about ASPPA. It’s almost like our second family. Part of it is because we work in a difficult business that most other people don’t understand and sometimes don’t appreciate, so we have bonded over that. It’s also because the Society is full of smart, honest, and hardworking people — and we’ve all found kindred spirits.”

— Sarah Simoneaux, 2006 President

offers the perfect opportunity to look back, recall ASPPA’s rich history, and celebrate our contributions to the industry and the actuarial profession — and the people who made it happen.

The storytelling starts here, with this cover story. It will continue throughout 2016 — in each issue of *Plan Consultant*, on ASPPA Net, with videos, trivia quizzes, the ASPPA history book and more — culminating with the 50th anniversary gala at the ASPPA Annual Conference in October. So sit back, kick back, and enjoy.

THE FOUNDERS AND EARLY LEADERS

ASPA’s early leaders in the 1960s were a feisty bunch of pension professionals, many of them Texans, who didn’t like how established actuarial organizations treated practitioners of their specialty. They took it upon themselves to create the kind of society that would serve their needs and advance their profession, overcoming resistance and long odds to build what became a highly influential professional organization.

Three friends from the Lone Star State are recognized as the founders of ASPA: Harry T. Eidson, Carl I. Duncan and William F. (Bill) White.

Eidson worked for the New England Mutual Life Insurance Company, initially as a training actuary and, later, as an agent. He was a decorated veteran of World War II and a significant community leader prior to ASPA’s founding. Eidson served as ASPA’s first President from 1966 to 1970. “Harry was super intelligent, a bit difficult to get to know, but he sure knew what he was doing,” recalled White.

When Eidson was a colonel in the U.S. Air Force during World War II, he played an odd role in the defense of the United States. At the time of Japan’s surprise bombing of Pearl Harbor, Eidson was one of a small number of combat pilots stationed at an airfield near Washington D.C. Nobody knew what Japan’s next move would be, and many people feared an attack on the nation’s capital. The military was so unprepared for war that the only fighter planes available to defend the nation’s capital were armed with cameras only, not with weapons and ammunition.

Nevertheless, Eidson and two other pilots were ordered aloft to patrol the skies of Washington D.C., even though they could have done little if an attack occurred. “I don’t know what was going through Harry’s mind when he was up there with his cameras,” said ASPA’s longtime executive director Chet Salkind. “But

A Year-Long Celebration

ASPPA members can look forward to special events, content and videos throughout the anniversary year. Special plans for 2016 include:

- Special 50th anniversary credential certificates
- Website devoted to ASPPA’s 50th anniversary activities
- ASPPA trivia quizzes at ASPPA conferences and events
- Articles excerpted from the ASPPA history book in *Plan Consultant*
- “This month in ASPPA history” posts on ASPPA Net
- ASPPA history videos on the 50th anniversary website
- ASPPA history book coming in October
- 50th anniversary gala celebration and other special events at the 2016 ASPPA Annual Conference

even though the military eventually worked out something more effective, Harry stayed with it. It gave an initial inkling of the courage of the man and his ability to stick with it.”

Eidson died in 1994, at age 85. Those who knew him through ASPA held him in universally high esteem. Without his vision and strong leadership, ASPA might never have existed. In honor of his memory, ASPA created the annual Harry T. Eidson Founders Award, given to the ASPA leaders and other industry luminaries who followed in his footsteps.

Carl Duncan was the partner of an early ASPA director, Julius Stein, in their actuarial firm in San Antonio. A Texan to the core, he spoke with a pronounced drawl and entertained many with his Texas colloquialisms and infectious wit. He might have starred in a cowboy movie, but he was a highly competent and well-



Sept. 2, 1974: President Gerald Ford signs ERISA into law at the White House.

respected pension actuary. Currently age 90, Duncan is the sole surviving ASPA founder.

Bill White, the third of the trio of founders, was one of the initial group of ASPA members who qualified as Enrolled Actuaries after the enactment of ERISA in 1974. Over the course of his career he designed, installed and administered countless pension plans for numerous clients.

Eidson, Duncan and White were joined by a number of other early leaders, including:

- **Allen S. George**, a vice president of the First Life Insurance Company in Corpus Christi and a frequent lunch partner of Harry Eidson, volunteered to serve as ASPA's first vice president and wrote the bylaws of the new organization.
- **William W. (Bill) Hand** of Houston was the longtime owner of a pension consulting firm

founded by his father. An especially dynamic leader, Hand served as ASPA President in 1973, leading up to the passage of ERISA. ASPA later established the William Hand Memorial Scholarship in his honor at the University of Texas at Austin.

- **James ("Kirk") Kirkpatrick**, a lifelong actuary, was also a member of the Conference of Consulting Actuaries and the Academy. He held a graduate degree in actuarial science and had long-standing relationships in the academic actuarial community. Like his fellow early ASPA members, he grew disenchanted with the other organizations' lack of focus on the education of pension actuaries. He became the first chair of ASPA's Education and Examination Committee, and designed the organization's earliest examinations.

THE 1970s: EDUCATION AND ADVOCACY

As ASPA entered the 1970s and grew from a fledgling organization to a recognized and respected professional association, America's pension systems were ready for transformation. About two-thirds of the working population participated in an employer-sponsored retirement plan, and many of those without pension benefits worked for smaller businesses. In particular, small business pension plans were overdue for development, and the members of ASPA, still small in number, had the background, training and interest necessary to help expand the coverage of private retirement programs.

This focus attracted young actuarial professionals rising in their careers, such as Steve Rosen, a future ASPA president (2005). "There were a lot of people like myself who

were coming along and found a new professional specialty that they wanted to make their career,” Rosen says. “Even though the actuarial profession has been around for a long time, dedicated pension actuaries were really just coming into their own. I was intrigued by the concept and latched onto a number of ASPA people, with whom I became very good friends.”

Its small cadre of leaders were scattered. The executive director was in Texas and the committee chairs and members were spread around the country. More than anything else, the organization strongly emphasized education: ASPA was building its brand for examining and accrediting members as pension actuaries. The Education and Examination (E&E) Committee was one of the organization’s busiest groups of volunteers. Education and advocacy quickly became the Society’s two-pronged focus and, in many ways, the key to its survival.

The Impact of ERISA

For years, the IRS had regulated the pension industry. The applicable legislation at the time consisted of one subsection of the Internal Revenue Code that was limited to a few principles, with very little detail. And since regulators can only regulate what the law specifies, there were relatively few regulations.

Congress had begun considering pension law reform in the early 1960s — beginning a long process of drafting federal legislation that would establish specific rules on how pensions could operate and who could design and administer them. Proposed pension legislation ground slowly through many sessions of Congress. During the ASPA presidency of Bill Hand in 1973, for instance, about 20 pension regulatory bills were introduced in the U.S. Congress. “A number of those bills contained a provision that one must be a member of the Academy of Actuaries in order to be allowed to certify defined



The 1974 Annual Conference, at the Mayflower Hotel in Washington, was overshadowed by the enactment of ERISA the previous month.

“Even though I’m not an actuary, I feel a lot of the kinds of feelings that actuaries feel. The actuarial mindset is a positive one and full of respect and very analytical. Other than their geekiness, I think they’re wonderful people.”

— Stephen Dobrow, 2009 President

benefit valuations in the future,” Hand later remembered.

Most ASPA members were not members of the Academy of Actuaries. In fact, ASPA was established in reaction to the Academy’s refusal to admit many long-practicing, independent pension actuaries. “The organization was in a battle for its existence, in that enactment of the legislation in the form originally proposed would have disenfranchised a large number of ASPA members,” 1972 ASPA President Samuel J. Savitz remembers.

During the first half of 1973, ASPA staff and government affairs volunteers spent countless hours testifying before congressional committees to influence the final

wording of the draft “Employee Retirement Income Security Act” bill. ASPA reasoned that it should be among the named organizations that could train and qualify pension actuaries under the new law. ASPA’s representatives also recommended that the legislation should also require that actuaries must have three years of meaningful experience working in the pension field in order to be allowed to certify pension valuations.

The bill was passed by Congress that summer. On Labor Day, Sept. 2, 1974, ERISA was signed into law by President Gerald Ford. Forty years of pension law changed overnight, and an entirely new industry was created.

In addition to establishing the Pension Benefit Guaranty



An April 2012 House Ways & Means hearing featured testimony from ASPPA's Judy Miller.

“We’re here for the support of small retirement plans and the private pension system, and anything that harms the private pension system is something we have to attack with great force.”

— Ilene Ferenczy, member

Corporation, which insured defined benefit pensions against certain losses, the legislation provided new minimum funding, eligibility and vesting requirements and extensive reporting and disclosure requirements. Those provisions would prove to be the most burdensome aspect of the new law for employers.

But for ASPA, the most significant impact of ERISA was the creation of a federally licensed actuary, the “Enrolled Actuary.” This was a tremendous victory for ASPA and its leaders who had worked so hard to assure that the independent pension actuaries would not be denied the opportunity to continue practicing their profession. Enrolled Actuaries would have the exclusive right and responsibility for certifying that sponsors of defined benefit pension plans met the newly created minimum funding requirements created by ERISA. Without that victory, ASPA might not have survived into the 1980s.

THE 1980s: TURBULENCE AND PROGRESS

After succeeding in its biggest challenge of the 1970s — gaining federal approval as an organization qualified to certify pension professionals to work under the new provisions of ERISA — ASPA had to grow up fast and continue its winning ways during the ‘80s. The congressional agenda was full of efforts to change America’s pension plans; ASPA’s membership was evolving and the organization’s education programs had to keep up; and the IRS threatened some of the most basic assumptions ASPA members made when working on small pension plans.

It was a decade in which President Ronald Reagan famously advised, “Don’t be afraid to see what you see.” ASPA saw transformation, dangers, ways to assert its influence, and ways to help pension professionals thrive.



Throughout the decade, ASPA faced an onslaught of proposed retirement plan legislation and regulation. Most of the legislative initiatives affecting retirement plans in the 1980s involved modifications of the tax code. Dozens of mostly piecemeal bills and amendments to bills were introduced by a variety of legislators, and many laws were enacted, including:

- Multiemployer Pension Plan Amendments Act of 1980 (MPPAA)
- Economic Recovery Tax Act of 1981 (ERTA)
- Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)
- Deficit Reduction Act of 1984 (DEFRA)
- Retirement Equity Act of 1984 (REA)
- Tax Reform Act of 1986 (TRA 86)
- Omnibus Budget Reconciliation Act of 1986 (OBRA 86)
- Omnibus Budget Reconciliation

Act of 1987 (OBRA 87)

- Technical and Miscellaneous Revenue Act of 1988 (TAMRA)
- Omnibus Budget Reconciliation Act of 1989 (OBRA 89)

Ed Burrows, ASPA's President in 1986, called the TRA 86 "one of the great disasters of 1986 — actually just the climax of a five-year disaster which included TEFRA, DEFRA, REA '84 and the Tax Reform Act of 1986," all of which impacted the livelihoods of ASPA members and damaged the viability of defined benefit plans.

"The shift was away from defined benefit to defined contribution plans," says 1983 President Curtis Hamilton, "because 401(k) plans were now replacing defined benefit plans. Most ASPA members had to completely change their knowledge and administrative skills as the industry moved into administering 401(k) plans, including adding daily recordkeeping services. That caused a

lot of market consolidation, and most of our firms couldn't or wouldn't make the move to the daily business. It required all types of changes in systems, staffing, training, trading, investment knowledge, etc. It was a shift that was tectonic in nature. We saw the prospect of ASPA changing dramatically. The organization had to continue to evolve to keep pace with events and be successful. That was the challenge we faced."

ASPA met the challenge by developing programs to educate members on the new 401(k) plans, for which there was an urgent need. "Some people knew a little bit about 401(k) plans, but at that time there was not a lot of information out there," says member Joan Gucciardi. "Everyone was in the same boat. We all thought, 'Yes, we want to offer 401(k) plan services to clients, but we really don't know all the answers to the questions.'"

“It’s not about showing off or being loud or being friendly, it’s about commitment to something higher. That’s a really sweet part of the traditional ASPPA that I hope we hold onto as we grow into a more powerful and outgoing organization.”

— Mark Davis, member

In the years after 1986, Congress continued to tinker with the deductibility of retirement plans. “Congress saw the ‘tax expenditure’ on pension plans and retirement plans as easy pickings for solving some budget problems. Most of the focus was on revenue generation and equity, with little regard for social good, in the form of adequate retirement income, a primary goal of ERISA. And the law would change nearly every year in order to fix budget problems but not to fix benefit plan problems,” observed Carol Gold, former director of the IRS’ Employee Plans unit.

While the ‘80s were a turbulent time for ASPA and its members, it was also a decade of tremendous progress for the organization in many ways: expansion and diversification of membership and member services; significant strides in education and member communication; greater information resources; new conference offerings; and perhaps most importantly, successful efforts in preventing more damaging legislation and regulation.

THE 1990s: GROWTH VIA INCLUSION

“Our future, while yet to be written,” speculated 1991 President

Patrick Byrnes, “will undoubtedly involve enormous change... We’ve seen a major shift in the pension industry. Consultants and money managers have become, in many instances, strategic partners.” Members of the various pension professions had to learn how to peacefully coexist, Byrnes warned. “Those who we now view as threats to our businesses will probably force us to continue to change and grow. We should keep in mind, though, the lessons of the past — these perceived ‘enemies’ may eventually become our partners.”

Gradually, says member Kristine Coffey, “the idea that there were other people who came from different specialties, with different areas of expertise, ought to be represented, and ASPA ought to reach out to them, took root.”

“The organization grew in numbers, just plain grew,” remembers member Fred Reish. “It was a bigger financial enterprise, running more conferences, taking on more responsibility.” ASPA couldn’t help but change. “In some cases it moved at an evolutionary pace, in other cases at a revolutionary pace,” he adds.

Although Reish appreciates the professional improvement of the organization that occurred during

the 1990s, he still feels fond of the ASPA that was about to vanish. “We had fun back then not being rigidly structured,” he says. “We were sort of a big group of people hanging together.”

THE 2000s: A CHANGE IN NAME, A CHANGE IN MISSION

From ASPA’s earliest days, when non-actuarial pension professionals of various kinds began joining the pension actuaries who made up ASPA’s core membership, there had been a tension regarding the American Society of Pension Actuaries name.

With the passage of another decade, the conflicts among history, mission and name had not eased. By 2000, actuaries made up 14% of ASPA’s membership, consultants 13%, administrators 40%, and associated professionals and affiliates 34%.

“There was a lot of recognition that we had to do something with our name, because it didn’t reflect what our vision for the organization was,” recalls Executive Director Brian Graff. “But of course there was this tremendous history with the name. We were struggling with it, but we couldn’t land on something that seemed right. So we

came up with the idea of surveying the members on some possible new names we made up.” Members did not favor any names on the Board’s list (which included the cumbersome American Society of Pension Actuaries, Administrators, and Other Retirement Plan Professionals), but someone suggested simply adding another ‘P’ to the acronym to create the American Society of Pension Professionals and Actuaries (ASPPA). The new name was announced to members in 2004.

“It pleased me that we were able to make a name change that recognized the history in the acronym but made it clear that we were an open door, a bigger tent, and that we all wanted to be professionals,” Graff says.

“I don’t know if I was the last president of ASPA,” says 2004 president Bruce Ashton, “or the first president of ASPPA. Maybe I was both.”

Later in the decade, ASPPA embraced professionals who work in the 403(b) and 457 plan markets, then 401(k) plan investment advisors. “The vision was that we wanted to be the premier organization for all retirement plan professionals,” Graff says. “We started out as an actuarial society, and we grew to embody the vision of becoming the American Medical Association or American Bar Association of retirement plan professionals.” The evolution affected the entire organization. “It has broadened the horizon of the organization,” says Ashton, “broadened the understanding of the organization, and broadened the focus of the ASPPA folks who deal with the Hill and the regulatory agencies, as well as those who provide education to members.”

ASPPA TODAY AND TOMORROW

In the second decade of the 21st Century, ASPPA solidified its place as a force uniting many varied professionals in the retirement plan

business. “We have become the go-to organization for the entire retirement plan industry, every aspect of it,” says 2011 President Tom Finnegan.

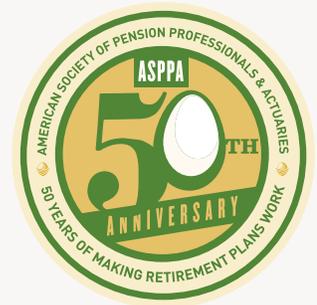
Today, ASPPA is uniquely rooted in the retirement plan landscape. “ASPPA is really a steward of the industry,” says NAPA Founding President Marcy Supovitz. “There are other organizations that do some of the job in the education side of the business, and in the networking side. But there is no other organization that brings together the education, the networking, and the advocacy. Nothing compares to ASPPA in having a presence on Capitol Hill. It does a fantastic job of bringing together all three of those benefits, and that’s what makes it unique.”

To better reflect the growth of its members in a wide range of retirement plan professions, ASPPA in 2015 restructured itself under an umbrella organization, the American Retirement Association, with divisions of membership for ASPPA, ACOPA, NAPA, and NTSA. The reorganization established a close affiliate relationship between the member groups, with each having independence, equal status, and its own credentialing standards and procedures. “We set out on this strategy to become the most pertinent organization for retirement plan professionals — to make membership in the organization essential to any retirement plan professional’s success,” says ASPPA Executive Director Brian Graff, who also serves as CEO of the American Retirement Association. “Now all of the affiliate organizations are fully integrated, with the American Retirement Association helping govern and coordinate the work of the affiliates.”

In late 2015, nearly 23,000 people were part of the larger organization, compared with about 10,000 just five years earlier.

Through this restructuring, ASPPA’s core values have not changed. “High quality education and credentialing, high standards,

ASPPA Video Tribute a Must-See



A video tribute to ASPPA, featuring past presidents and others, debuted at the 2015 ASPPA Annual Conference last October. The 6-minute video is posted on ASPPA Net, on the news page. Just go to www.asppa-net.org and click on the 50th anniversary logo in the right column.

commitment to our principles of helping Americans save for retirement — especially small-business Americans and employees — it’s all still with us,” observes 2006 President Sarah Simoneaux. “Those principles were there when I joined, and they’re the same today. That’s what makes us able to grow without having to compromise our values.”

Simoneaux is a big believer in the younger generation of employees and their ability to confront the most pressing of the retirement policy questions. “They represent what ASPPA has embodied for a long time,” she says. “ASPPA is about saving, work/life balance, globalization, volunteerism — everything that young workers pay attention to. They’re perfectly matched with what ASPPA will be doing. The economy is changing, but we’ve been through that before. ASPPA represents much of the entrepreneurial spirit of small business. And we are uniquely positioned to grow stronger over the next 20 years and help people build a successful retirement.” **PC**