
Longevity growth begins to slow: Society of Actuaries

By Editorial Staff Wed, Oct 14, 2015

"People are living longer, but longevity is increasing at a slower rate than previously available data indicated," said Dale Hall, managing director of research at SOA.

The Society of Actuaries this week released an updated mortality improvement scale for pensions that shows a trend toward "somewhat smaller improvement in longevity" than in the past. The new scale—MP-2015—includes just-released Social Security mortality data from 2010 and 2011.

Updating current defined benefit plans to the MP-2015 scale released today might reduce a plan's liabilities by between zero and two percent, depending on each plan's specific characteristics, SOA's preliminary estimates suggest.

"People are living longer, but longevity is increasing at a slower rate than previously available data indicated," said Dale Hall, managing director of research at SOA. The new scale will allow pension actuaries to measure private retirement plan obligations more accurately, he added.

In October 2014, the Society released the RP-2014 base mortality tables and MP-2014 improvement scale, the first update to the SOA's pension plan mortality tables in more than a decade.

At that time, the SOA indicated the mortality improvement scale (used to project mortality rates) would be updated more frequently as new longevity data became available.

"Every plan is different, and it is important that professionals working in this field perform their own calculations on the impact to their plan," Hall said in a release. "It is up to plan sponsors, working with their plan actuaries, to determine whether to incorporate MP-2015 into their plan valuations."

The updated mortality improvement scale was developed by the SOA's Retirement Plans Experience Committee (RPEC). Click here for a full version of the [***Mortality Improvement Scale MP-2015***](#) report.