
U.S. life expectancy declines slightly: SoA

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Using the MP-2017 improvement scale could reduce a pension plan's obligations by 0.7% to 1.0%, based on a 4% discount rate, the Society of Actuaries' latest estimates suggest.

In the first year-over-year mortality rate increase since 2005, age-adjusted U.S. population mortality rates rose 1.2% between 2014 and 2015, according to MP-2017, the Society of Actuaries' annually-updated mortality improvement scale for pension plans.

The mortality increase means that life expectancies declined slightly. Implementing the MP-2017 improvement scale could reduce a pension plan's obligations by 0.7% to 1.0%, when calculated using a 4% discount rate, the SOA's preliminary estimates suggest.

Mortality from eight of the 10 leading causes of death has increased in the U.S., as reported by the CDC. The life expectancy for a 65-year-old-male pension plan participant declined to 85.6 years using the MP-2017 scale, compared to 85.8 under MP-2016. The average life expectancy for a 65-year-old female pension plan participant declined to 87.6 with MP-2017, from 87.8 with the MP-2016 scale.

But "every plan is different, and it's important for actuaries and plan sponsors to perform their own calculations and decide how to reflect the impact of emerging mortality changes in their own plan valuations," said Dale Hall, managing director of research for the SOA, in a release.

The MP-2017 report includes a sensitivity analysis to model the impact of different improvement model assumptions on annuity factors for plan funding. The SOA's Retirement Plans Experience Committee (RPEC) developed the report. For additional information, you can read the full Mortality Improvement Scale MP-2017 report [here](#).

MP-2017 incorporates the latest publicly available mortality data from the Social Security Administration (SSA) through 2013. It also includes 2014 and preliminary 2015 data, developed by the SOA and obtained from the SSA, Centers for Disease Control and Prevention (CDC), Centers for Medicare and Medicaid Services (CMS), and Census Bureau.

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