

CavMac CHRONICLE

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New Mortality Tables on the Way

The Society of Actuaries (SOA) issued an exposure draft of updated public plan mortality tables in January. This new family of tables, entitled Pub-2016, is an update of the first set of public plan mortality tables (Pub-2010) issued about six years ago. While mortality tables are not noted for being a topic of exciting conversation, they are fundamental in almost all pension and OPEB actuarial work. Having tables that are based on the experience of public retirement systems is especially helpful for all of the CavMac actuaries, since we work exclusively in the public sector. Once these tables are officially adopted by the SOA in the next few months, we expect to gradually introduce these tables into our assumptions for our clients over the coming years as part of our regular experience studies. In general, these new tables reflect that mortality has improved over time, although not as much as has been expected. This will likely mean that updating to the new tables will not result in significant changes for most situations.

Developing these updated mortality tables was a multi-year process for the SOA and involved the participation of many public retirement systems, including a number of CavMac clients who chose to submit their data. More than 58 million life-years of data was examined, making this one of the largest mortality studies conducted by the SOA. One note is that the tables were based on data before the start of the Covid-19 pandemic. The actuarial community is still trying to determine what, if any, the long-term changes to mortality will be from Covid.

As part of CavMac's commitment to the public plan community, our chief actuary, Brent Banister, was a part of the SOA volunteer committee that produced these tables. We are also appreciative of the participation of the in-house actuaries of two of our clients. Finally, we want to thank all of our clients who submitted data for this project – this couldn't be done without you.

Funding and Pension Hot Topics



We are keeping an eye on actuarial hot topics such as those listed below and any of our consultants will be happy to discuss how they affect your plan.

- WEP/GPO repeal – whether or not your state participates in Social Security, will we see increased retirements at younger ages now that members no longer expect a haircut on their Social Security benefits?
- Market volatility – in these uncertain markets, mitigating actuarial methodologies are highlighted such as:
 - asset smoothing,
 - using assumptions based on long-term time horizons rather than short-term volatility,
 - stochastic projections and risk modeling



CavMac is 20 Years Old!!



Happy Anniversary to CavMac!! Hard to believe that we are turning 20 years old on June 7, 2025. Seems like yesterday that Tom Cavanaugh and Ed Macdonald started this company. We recently caught up with the two of them and asked them to share how retirement is going.

Congratulations to CavMac. It's hard to believe it's been 20 years since Ed Macdonald and I started the company. It's a terrific milestone and we wish you many more years of success.

Chris and I are well and have been having a great time spending our kids' inheritance! We have been doing a bit of traveling, particularly a few trips to Ireland. I've included a photo of us on our last visit to the Emerald Isle in 2023. We're heading there again in May.

Chris has been volunteering a couple of days a week at Volunteers In Medicine here on Hilton Head, taking advantage of her nursing background. I volunteered with Habitat For Humanity for a few years until COVID put a halt to that work for a while. I haven't gotten back into it as I've stayed busy on the Boards of our local alumni chapter and my USNA Class of 1969.

Family visits and trips fill many of our days. Life is good in retirement!



My retirement has been more exciting and fulfilling than I ever imagined. After spending the majority of my CavMac career residing in Florida, Donna and I decided to relocate back to Georgia. We have chosen Blue Ridge Georgia as our retirement location. It holds a special place in our hearts as we had a vacation cabin here in the early 2000's. After selling it, the mountains were always calling us back. Blue Ridge is a small town nestled in the North Georgia mountains. The town is also home to Lake Blue Ridge where we always enjoy spending as much time as we can on our boat with friends enjoying the beauty of our lake that is tucked into the mountains.

Donna and I also enjoy spending time hiking with our Golden Doodle, Colton, on the many wonderful trails in our county which is over 60% National Forest. We are members of Old Toccoa Farm Golf Course, where I play 3-4 times a week with a large group of friends.

I do miss the many clients and colleagues that I had the great pleasure of working for, and with, over the years. I can't say I miss legislative hearings! My heart goes out to all of you who still must attend those hearings.

I wish you all well with your current and future endeavors and much continued success for CavMac.



But Did You Know?

1

In honor of our 20th birthday, here is some CavMac trivia

Half of the original 8 employees at CavMac still remain with the Firm. But who was hired first?

- A. Alisa Bennett
- B. Ed Koebel
- C. Jennifer Johnson
- D. Todd Green

And the answer is...C.

Jennifer was hired on July 5, 2005, about two weeks before Alisa and Todd.

2

Look for CavMac at these upcoming conferences

- Wendy Ludbrook is speaking at the Conference of Consulting Actuaries Enrolled Actuaries Virtual Conference on May 7
- Ryan Gundersen and Aaron Chochon are attending The National Conference on Public Employee Retirement Systems (NCPERS) 2025 Annual Conference & Exhibition (ACE) from May 18 to 21
- Larry Langer and Wendy Ludbrook are presenting at the Michigan MAPERS 2025 Spring Conference on May 18 & 19



CavMac Comedy

What do you get when you cross a dog and a calculator? A friend you can count on!

Why did the student get upset when her teacher called her average?
Because it was a 'mean' thing to say.