

# CavMac CHRONICLE

CavMacConsulting.com

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## Top News

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### Strategies for Retaining Late-Career Employees

Public employees across the United States are facing workforce shortages, with many sectors struggling to attract and retain talent. This situation is exacerbated by an aging workforce and increased competition for skilled workers.

Aaron Chochon, Consulting Actuary, and Brent Banister, Chief Actuary, recently published an article in the Spring 2026 edition of the *NCPERS PERSist* newsletter that helped tackle this challenge by laying out five different strategies available for defined benefit plans to encourage late-career employees to remain in the workforce:

- **Deferred Retirement Option Plans (DROP)** – allow eligible employees to “lock in” their retirement benefit while continuing to work for a specified period.
- **In-Service Distributions** – allow eligible employees to access their retirement benefit while also receiving a paycheck.
- **Return-to-Work Programs** – after a bona fide retirement, retirees are welcome back to the workforce without pausing their benefit.
- **Partial Lump Sum Options** – allows eligible employees to receive a portion of their retirement benefit as a lump sum with a reduced benefit for their remaining lifetime.
- **Increasing the Normal Retirement Age** – while not an immediate solution, this can help retain employees over the long-term.

The full article can be found on our website here, [www.cavmacconsulting.com](http://www.cavmacconsulting.com).

### Exposure Draft for ASOP 6



The exposure draft of a proposed revision of Actuarial Standard of Practice (ASOP) No. 6, **Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions** was issued in November 2025 with a comment deadline of May 15, 2026.

CavMac actuaries are participating in a working group that is compiling comments and will issue a letter before the comment deadline. This ASOP provides standards for actuaries who perform Other Post-Employment Benefits (OPEB) valuations. The notable differences in the new proposed standard include acknowledgement that the performance of actuarial services for retiree group benefit programs may require actuaries from more than one practice area, guidance on calculating a reasonable Actuarially Determined Employer Contribution (ADEC), and guidance on identification and assessments of risks. The proposed revision also includes additional language around aging adjustment and claims development.



## CavMac Pension Portal

CavMac is excited to introduce the **CavMac Pension Portal**, a comprehensive online defined benefit pension administration tool, which will allow our plan sponsor clients to offer their participants on-demand pension benefit estimates and projections. The Portal also provides electronic delivery and storage of annual benefit statements and other pension documents. In addition, this new system can be used to track, log, and automate the entire benefit fulfillment process from the initial request through the initiation of monthly retiree payments. Our Pension Portal service will be available under three service models that can be tailored to meet each plan sponsor's unique needs.

CavMac has partnered with PensionSoft Corporation, LLC. to create our Pension Portal. PensionSoft is a nationally recognized industry leader in providing defined benefit plan administration solutions for actuarial firms, TPAs, and plan sponsors. Their system is utilized by over 1,000 defined benefit pension plans, including over 250 public sector pension plans. CavMac recently hired Tim Ryor to oversee our implementation of PensionSoft's system. In addition to being a public sector pension and OPEB actuary, Tim has nearly 20 years of experience helping plan sponsors use PensionSoft's products to modernize and automate their defined benefit pension plan administration. For more info, visit our website...<https://cavmacconsulting.com/benefit-administration-services/>

Pension Benefit Illustration			
Basic Participant Information			
Name:	Patrick Adams	Beneficiary Date of Birth:	01/01/1973
Date of Birth:	11/02/1970	Beneficiary Type:	Spouse
Date of Hire:	03/09/1995	Years of Vesting Service:	35.750
Estimated Termination Date:	12/31/2030	Years of Benefit Service:	36.000
Calculation Information			
Assumed Salary Increases:	2.50%	Current Annual Pay:	\$83,372
Assumed Investment Return:	6.50%	Savings Balance at ERD:	\$94,274
Savings Contribution Rate:	2.00%	Earliest Possible Retirement:	12/01/2020
Estimated Retirement Date (ERD):	01/01/2031		
Estimated Retirement Income		Income at Retirement	
	Annual Amount		
Pension Benefit	\$66,177		
Estimated Social Security	N/A		
457 + Personal Savings	\$9,807		
<b>Total</b>	<b>\$75,704</b>		
% of Pay at ERD	90.8%		
Estimated Annual Pension Plan Distribution Options			
	Participant	Beneficiary	
Life with 10 Year Period Certain	\$66,177	N/A	
50% Joint & Survivor with 10 Yr Certain	\$66,177	\$66,177	\$33,088
100% Joint & Survivor with 10 Yr Certain	\$56,647	\$56,647	\$56,647
Additional Information			
Please note that the above information is for planning purposes only and does not represent the actual benefit amounts that you are entitled to at retirement.			
* 457 + Personal Savings benefit calculated assuming a 5.5% interest rate and 2024 IRS Applicable Mortality.			
** Graph shows the amounts relative to 100% of current annual pay replaced at Early Retirement Date.			



## But Did You Know?

### 1 CavMac's Newest Credentialed Actuaries

- Darby Carraway completed all the exam requirements for the Associate Actuary designation under the Society of Actuaries. She also became a Fellow of the Conference of Consulting Actuaries and Member of the American Academy of Actuaries
- Brandon Lu completed all the exam requirements for the Associate Actuary designation under the Society of Actuaries.
- Gabe Masek completed all the exam requirements for the Enrolled Actuary designation under the Joint Board of Actuaries.

### 2 CavMac at Conferences

- Brandon Lu & Nadia Williams at the North Carolina League of Municipalities City Vision Conference on May 7<sup>th</sup> - 9<sup>th</sup>
- Larry Langer & Wendy Ludbrook at the MAPERS Spring Conference on May 16<sup>th</sup> - 19<sup>th</sup>
- Aaron Chochon & Ryan Gundersen at the NCPERS ACE Conference on May 17<sup>th</sup> - 20<sup>th</sup>
- Ed Koebel at the P2F2 Pension 101 Training Event on June 17<sup>th</sup> - 18<sup>th</sup>
- Todd Green, Alisa Bennett & Bryan Hoge at the NCTR Director's Workshop on June 24<sup>th</sup> - 26<sup>th</sup>

## CavMac Comedy

How do you know someone is an actuary at a party? They bring a mortality table to the buffet to calculate expected leftovers.

Actuarial rule of thumb: An assumption is simply a fact that hasn't been proven wrong yet!

