

PENSIONERS MAY LIVE LONGER, RESEARCH FINDS: The life expectancy of people with defined benefit pensions appears to be improving at a faster rate than that of the rest of the population, research by the Continuous Mortality Investigation (CMI) has revealed.

According to the latest CMI Mortality Projections Model, increases in life expectancy have slowed down across the population since 2011 and continued through 2016, after a decade of marked improvement.

However, the data found the mortality among pensioners who received a guaranteed income for life through a DB scheme had risen more rapidly.

The overall slowdown led some to suggest that the rapid improvements in mortality in the first decade of this century may have permanently ended.

But the CMI was more cautious, saying there was “significant uncertainty” over whether the slowdown would continue.

The CMI, which is owned by the Institute and Faculty of Actuaries but independently run, stated that it was important to understand that mortality nevertheless was likely to continue to improve.

CMI 2016 has thrown more light on some very interesting trends – namely that, in recent years, the rate at which mortality is improving has been slower than in the first decade of this century.

Although it is highly likely that mortality will continue to improve, there is significant uncertainty as to whether this recent slowing in the rate of improvement will continue.

The slowing raises important questions about contributing factors. Indeed, our analysis of pensions data implies that the causes could be more complex and stratified than the pure life expectancy figures, that only consider population data in aggregate alone, would suggest.

It is increasingly difficult to argue that the fall off in national mortality improvements since 2011 is simply a blip.

However, the underlying picture for pension schemes is complex and, accordingly, a more-tempered view is appropriate.

In particular and perhaps surprisingly less-well-off defined benefit scheme pensioners appear to have had higher recent mortality improvement than both the national population and better-off defined benefit scheme pensioners.

There is a risk that changing or incomplete data on longevity meant schemes considering hedging their longevity risk could “end up with poor pricing, or make a decision based on out-of-date information.

The sources for the above can be found at:

<https://www.ftadviser.com/pensions/2017/03/29/db-pensioners-may-live-longer-research-finds/>

<https://www.actuaries.org.uk/learn-and-develop/continuous-mortality-investigation>

TAKE 5 STEPS TOWARD YOUR FINANCIAL SECURITY: Social Security Administration would like to encourage you to take five steps toward your financial security. Planning for the future, which may seem intimidating to many, but SSA has broken the task down into five easy steps:

Step 1: Get to know Social Security — You and Social Security are on a journey for life, but there is so much you may not know about the benefits and services we provide. Social Security delivers financial

security to millions of children and adults before retirement; including the chronically ill, children of deceased parents, and wounded warriors.

Step 2: Verify your earnings — Your benefits are calculated using your employment records. You can use your personal Social Security account to verify that your earnings are recorded accurately.

Step 3: Estimate your benefits — With the Retirement Estimator, you can estimate your future retirement or disability benefits based on your actual earnings record. This can be invaluable as you plan for your future.

Step 4: Apply for benefits — You can apply for retirement, Medicare or disability benefits online through our easy to use, convenient to navigate and secure online application.

Step 5: Manage your benefits — Social Security puts you in control by offering convenient and secure services that fit your needs. Verify your earnings and payment information change your address or phone number, get a benefit verification letter and even start or change direct deposit of your benefits.

A personal my Social Security account is the key to helping you plan for your financial future. If you do not have such an account then, open yours today!

For more on this go to: <https://www.ssa.gov/agency/5-steps-toward-your-financial-security/>