

Memorandum	
TO	FEDERATION REVENUE SERVICE—TECHNICAL BRANCH
FROM	STARFLEET—ACTUARIAL DIVISION
SUBJECT	REQUEST FOR GUIDANCE

WE ARE CONTACTING THE FEDERATION REVENUE SERVICE (FRS) to request guidance regarding (1) certain unusual situations that have arisen with respect to the granting of service under the Retirement Plan for Starship Captains and Command Staff (hereinafter referred to as the Starfleet Plan) and (2) the appropriate assumptions to be utilized in the annual actuarial valuation for funding purposes of the Starfleet Plan.

With respect to service, we have encountered the situations described below, which pose obvious difficulties. We have summarized our proposed solution in each case and would appreciate feedback from the FRS. *Please note that the Starfleet Plan grants a month of service (for benefit accrual and vesting purposes) for each complete or partial month of service as a Starfleet officer. The normal retirement age under the Starfleet Plan is age 65.*

Situation 1

On or about Stardate 3240.0, Capt. James T. Kirk, Commander Spock, and Dr. Leonard McCoy were transported back in time (by the Guardian of Forever) to 1930, where they spent approximately two weeks, and then were returned to their then-present, only moments after the time they had left.

- › Does the time spent in 1930 count toward benefit accrual service and/or toward service for purposes of determining vesting? If so, what if the two-week period spanned two calendar months? Would each participant receive two additional months of service credit?
- › Participants who travel to the past are arguably older than they would have otherwise been (i.e., Kirk, Spock, and McCoy are two weeks older upon their return from 1930, even though no time had passed in their then-present). Should their normal retirement age be accelerated? Does the answer change if the period of time spent in the past is of a longer duration?

Situation 2

On Stardate 1704.4, the Enterprise was transported back in time three days because of to emergency engine initiation using an unorthodox intermix formula. The entire crew relived those three days and then continued on in the same timeline.

- › As discussed in Situation 1 above, participants are actually three days older. Should their normal retirement dates be adjusted?
- › Should affected participants receive double service credit for this three-day period? If so, would this run afoul of the “no dual-credit rule” under Federation Revenue Code Reg. Sec. 2530? Can a participant accrue more than a year of service for a given year in this or a similar circumstance?



CORBIS

Situation 3

On or about Stardate 37140.0, Lt. William Thomas Riker was inadvertently cloned, because of a transporter malfunction. Both Lt. Rikers (now commander and lieutenant) remain in Starfleet and have a nonforfeitable right to their pensions under the Starfleet Plan.

- Should both Rikers receive full service credit for their respective periods of service (i.e., both pre- and post-cloning periods)?
- Should the original Riker receive full credit for his entire period of service and the clone receive credit only for post-cloning periods?
- Should the two Rikers split service credits accrued before the cloning, but each earn full service credit for post-cloning periods?

Situation 4

On or about Stardate 8130.0, Commander Spock was killed in the line of duty. Since he was not married at the time of his death, pursuant to the provisions of the Starfleet Plan, the actuarial present value of his then-accrued benefit was distributed to his designated beneficiary (Sarek of Vulcan).

A resurrected or recreated version of Commander Spock's body was retrieved from the Genesis planet by Captain Kirk, and Commander Spock's consciousness was subsequently reinstated therein. Commander Spock then returned to full-time service in Starfleet (his break in service did not exceed the service he had earned prior to his death).

- Does Commander Spock retain his pre-death service for any purpose?
- Must Commander Spock or his beneficiaries repay the prior lump-sum distribution? If not, how is the prior distribution reflected in any subsequent benefit amount payable to Commander Spock?

In addition to the questions regarding the manner of service crediting, the situations described above give rise to the following questions with respect to the actuarial assumptions incorporated in the annual valuation of the Starfleet Plan:

- Should there be an explicit resurrection assumption and/or cloning assumption? If no such assumption is made, we question whether we are properly reserving for potential benefits due to post-death service

and/or duplicate benefits for cloned persons. A review of Starfleet records could be conducted to determine the expected probabilities of cloning and resurrection.

- Should an adjustment factor be applied to projected service values for all active participants in order to account for expected future service earned in prior periods (from time travel, temporal anomalies, or intervention of a higher being)? Correspondingly, should normal retirement age be assumed to be earlier than a participant's current-timeline 65th birthday to account for aging in prior periods? Factors to make such adjustments could be developed by expressing the aggregate amount of service earned in the past (obtained from Starfleet records) as a percentage of all current service for Starfleet officers.

We appreciate your assistance in resolving these matters. We also call your attention to a request for technical assistance with respect to possible benefit adjustments in connection with the exchange program between Starfleet and the Klingon High Command (provided under separate cover).



JACOBSON

Serving the Actuarial Community Since 1971

career advancement and development
professional recruiting
executive search
interim projects

FEATURED OPPORTUNITIES - Visit our website for a complete listing of actuarial opportunities.

SENIOR MANAGING ACTUARY

Long-term care valuation specialist required to revamp product line. In addition to managing a sizeable staff, this thought leader will drive initiatives in valuation processes and data quality improvement. Superior critical analysis skills, 7+ years of long-term care experience and an actuarial designation will provide this candidate with the necessary tools to make a lasting impact on the organization. Contact Mary Kilkenny for more information.

INVESTMENT ANALYST

Join a hybrid team of actuaries, PhDs and CFAs to solve risk, investment and portfolio management issues for this international financial services organization. Position focuses on risk metrics and yield enhancement strategies in fixed income markets. 5+ years of experience in interest rate risk management, hedging or ALM work, in addition to a post-graduate degree in a quantitative field, required. Contact Mary Kilkenny for details.

EXECUTIVE VICE PRESIDENT

Reporting directly to the CEO, provide high-impact actuarial leadership. Ideal candidate possesses 10+ years of actuarial experience in the property and casualty field, 5+ years of management expertise and a background in pricing, reserving, cash flow testing, modeling, enterprise risk management and professional liability. Bachelor's degree in mathematics or science and FCAS required. Contact Stacy O'Connell for additional information.

ACTUARIAL CONSULTANTS - HEALTH

Jacobson Solutions is currently engaging consultants with experience in group medical/managed care or group ancillary products for projects in the product development and financial arenas. Opportunities encompass assistance with pricing, reserving, and year-end and quarterly reporting. Some projects require experience with governmental programs (Medicare, Medicaid) and experience filing ACRs. Interested parties should contact Todd Sauvola.

CORPORATE VICE PRESIDENT

Develop and implement derivative solutions to meet the needs of various product lines, oversee investment policies and guidelines, and make ALM and asset allocation decisions while serving as the right-hand actuary to the CIO. CFA with actuarial designation and portfolio analytics expertise ideal. Completion of fixed income asset classes preferred. Please contact Mary Kilkenny for more details.

ACTUARIAL PRICING MANAGER

Utilize your traditional analytical skills, creativity and ingenuity to develop innovative ways of looking at existing and prospective product lines for this subsidiary of a Fortune 500 company. This post will work with all major areas of the organization. This near ACAS should possess 5+ years of experience. Please contact Laura Henly to learn more about this exciting position.

Interested candidates, please send resumes to actuarial@jacobsononline.com. To learn about additional career opportunities, visit our website or contact Mary Kilkenny. If you are interested in interim projects, please contact Todd Sauvola.

OFFICES NATIONWIDE

WWW.JACOBSONONLINE.COM

TEL (800) 466-1578