

**SOA CPD REQUIREMENT  
Frequently Asked Questions (FAQs)**

**Society of Actuaries  
January 2009**

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**FREQUENTLY ASKED QUESTIONS ABOUT  
THE SOA'S CONTINUING PROFESSIONAL DEVELOPMENT REQUIREMENT**

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**DEFINITIONS AND ABBREVIATIONS**

Throughout the FAQs, the following abbreviations will be used:

**U.S. Qualification Standard** for the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* (issued by the American Academy of Actuaries)

**CIA Qualification Standard** for the *Canadian Institute of Actuaries' Qualification Standard - Requirements for Continuing Professional Development*

**U.K. CPD Scheme** for the *CPD Scheme of the Faculty of Actuaries and Institute of Actuaries*

**IAAust CPD Standard** for the *Continuing Professional Development Standard of the Institute of Actuaries of Australia*

The SOA *Continuing Professional Development (CPD) Requirement* will be referred to as the **CPD Requirement** or the **Requirement**.

**Sections** refer to those sections in the SOA CPD Requirement document.

**FAQs** refer to the Frequently Asked Questions posted on soa.org.

**FREQUENTLY ASKED QUESTIONS ABOUT  
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**General (Section A)**

**G1. When will the SOA CPD Requirement take effect?**

The CPD Requirement will take effect in 2009. The first two-year cycle will begin Jan. 1, 2009, and the first report of CPD compliance will be for the cycle ending Dec. 31, 2010.

**G2. What am I required to do to meet the SOA CPD Requirement during 2008?**

Nothing. The CPD requirement is not effective until Jan. 1, 2009.

**G3. I am already subject to another requirement (e.g. the U.S. Qualification Standard, the CIA Qualification Standard, the U.K. CPD Scheme or the IAAust Standard). Do I have to comply with the SOA CPD Requirement?**

Yes. But, all four of the standards listed are acceptable alternative compliance standards (the SOA accepts compliance with that standard as compliance with the SOA CPD Requirement). See Section C and FAQs AC1, AC2, AC3, AC4, AC5, AC6, AC7 and AC8.

**G4. I just completed my ASA, but I'm still taking exams. Do I still have to comply?**

Yes. You are subject to the CPD Requirement starting on January 1 of the year after you earn your first designation (generally your ASA or CERA). You must start earning credits that following year, and certify compliance the year following that.

*Example: Katie Member earns her CERA in 2010. She would be subject to the CPD Requirement on Jan. 1, 2011. She would need to start to earn credits in 2011. Her first certification of compliance would be for the two-year cycle ending Dec. 31, 2012.*

**G5. My SOA credential was earned through mutual recognition (with the Faculty of Actuaries, Institute of Actuaries, or the Institute of Actuaries of Australia). Do I still have to comply with the SOA CPD Requirement?**

Yes. All SOA members must comply. You don't have to start earning credits until the year after your credential is granted by mutual recognition. You are able to use Categories 1 or 2 of the U.K. CPD Scheme or the IAAust CPD Standard (as applicable) as a method of alternative compliance (See Section C).

*Example: Joe Member is a Fellow of the Institute of Actuaries; his SOA FSA was granted through mutual recognition in 2008. Joe must begin to comply with the SOA CPD Requirement as of Jan. 1, 2009. He can, if he elects, comply with Category 1 or 2 of the U.K. CPD Scheme each year as a method of alternative*



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*compliance. He will have to certify compliance for the two-year cycle ending Dec. 31, 2010.*

*Example: Elizabeth Member is a Fellow of the Institute of Actuaries of Australia and earns her SOA FSA through mutual recognition in 2012. She must begin to comply with the SOA CPD Requirement as of Jan. 1, 2013. She can, if she elects, comply with the IAAust CPD Standard as a method of alternative compliance. She will have to certify compliance for the two-year cycle ending Dec. 31, 2014.*

### **G6. I dropped my SOA membership and am applying to be reinstated. How does the CPD Requirement affect me?**

Members who are reinstated become immediately subject to the CPD Requirement as soon as they are reinstated. Reinstated members must report their CPD compliance status on the December 31 immediately following reinstatement. In addition, if the member reinstates after CPD compliance reporting has begun (after 2010), the membership directory of the reinstated member will show that member's status as "Non-compliant" unless the member is able to demonstrate compliance at the time of reinstatement. Reinstated members will be able to be reinstated as "Compliant" with the SOA CPD Requirement if they are able to demonstrate that they have completed a full cycle of CPD at the time of reinstatement (See Section A2(f)).

*Example: Steven Member applies for and is reinstated as an SOA member in 2009. Steven must immediately begin to earn CPD credits and would be required to report his compliance with the Requirement beginning with the cycle ending Dec. 31, 2010.*

*Example: Lauren Member drops her SOA membership in 2007 and applies for reinstatement in 2011. She is given the option to reinstate "Non-compliant" or if she can demonstrate that she completed one full cycle of CPD she may reinstate as "Compliant." Lauren is able to demonstrate that she earned 60 units of CPD during the past two years to meet the Basic Requirement Provisions of Section B and is reinstated "Compliant" during 2011. Lauren will also have to certify compliance with the CPD Requirement on Dec 31, 2011 and every year thereafter.*



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### **B2. How is a unit defined?**

Units are 50 minutes long. When determining credit, partial hours are considered. For example, 60 minutes of structured or self-study time equals 1.2 units; 90 minutes of structured or self-study time equals 1.8 units of credit.

### **B3. What topics will I be required to cover?**

The CPD Requirement encompasses job-relevant topics and business and management skills. The Requirement sets targets in each category to ensure a balanced education, but you're free to determine the amount of education you'll complete in each category as long as you adhere to the minimum and maximum standards. As part of your job-relevant credits, you need to complete three units of professionalism (see FAQ B4)

### **B4. What are the requirements for professionalism credit?**

Three units of professionalism must be earned in a structured setting every cycle. Because professionalism and professional standards are the foundation of actuarial practice, it's critical that all actuaries understand their application. Also, because there must be no misunderstanding about their application, it is important that professionalism units be earned in a structured setting rather than through self-study to allow actuaries to interact with and learn from each other regarding their application. Therefore, you must have at least three units of structured credit in professionalism during a two-year cycle. You are encouraged to earn more professionalism credit, either through structured or self-study settings.

### **B5. Are any specific courses required? Are any specific topics excluded?**

No. The CPD Requirement is designed to maintain your skill level as you practice, so topics should relate to the skills you need to do your job. For some actuaries, like those in management roles, non-technical job-relevant topics will make up the bulk of their job-relevant credit. For others, non-technical topics are important for future development but, shouldn't make up the bulk of CPD units earned.

### **B6. Will members in certain practice areas have practice specific requirements?**

No. SOA Sections might elect to develop lists of appropriate topics or paths of study for actuaries, including reading lists and suggestions for self-study. These reading lists would be suggestions only.

### **B7. Can I complete the entire CPD Requirement through self-study?**

No. You must earn at least 50 percent of your credits—or 30 units per cycle—in structured education.

### **B8. What are job-relevant topics?**

These typically include both technical and non-technical topics. Examples of technical topics include actuarial, mathematical, modeling, legislative and regulatory, legal and other similar skills that are core to the work of actuaries and specific to your role or practice area. Job-relevant topics also include non-technical skills, particularly for those in management roles or aspiring toward management roles, including market

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and industry trends, business cycles and national and global economic issues. Job-relevant topics will vary from actuary to actuary based on the nature of your job, your area of practice, position and aspirations. For some actuaries, such as those in management roles, non-technical topics will make up the bulk of their job-relevant credit since these topics are critical to their role. For others, non-technical topics are important for future development but shouldn't comprise the bulk of CPD units they earn.

### **B9. What does professionalism include?**

Professionalism encompasses the professional and ethical standards the public and those who employ actuaries expect actuaries to follow in carrying out their obligations. Examples include Actuarial Code of Professional Conduct (United States), Rules of Professional Conduct (Canada) and Actuarial Standards of Practice (ASOPs). Professionalism also covers general business ethics (see FAQ B10).

### **B10. Professionalism seems narrowly defined to cover just ASOPs and U.S. and Canadian Codes of Professional Conduct. What else constitutes professionalism?**

The ASOPs and U.S. and Canadian Codes of Professional Conduct are cited as examples of professionalism topics. Section B4 (a (iii)) also lists "other professionalism topics, such as ethics" in the definition. This is designed to allow a wide range of professionalism topics, including but not limited to ethical issues regarding: fiduciary responsibilities, corporate governance, discrimination in hiring/workplace, price-fixing/monopolistic practices, intellectual property rights, business intelligence and ethical standards/practices around the world.

### **B11. I use my SOA credential in my non-traditional actuarial role. Does my job-relevant credit have to meet the criteria for a traditional actuarial role when my job is non-traditional?**

No. You don't have to get continuing education in traditional actuarial topics to fulfill the CPD requirement. Job-relevant CPD is defined as that which broadens or deepens your knowledge of work required for your current role, related disciplines or a new area in which you contemplate practicing. Therefore, job-relevant CPD for actuaries in non-traditional positions will be different from job-relevant CPD for actuaries in traditional roles.

### **B12. Who determines what education is job-relevant?**

Ultimately, you define the CPD activities that are relevant to your development and the appropriate balance of technical and non-technical job-relevant topics you believe is necessary. The Requirement defines continuing education as job relevant if it broadens or deepens your knowledge of work required for your current role, in related disciplines that bear directly on your work or in a new area in which you're considering practicing in the future.

### **B13. What are business and management skills?**

Business and management skills are the skills necessary for success because they improve your personal effectiveness and ability to succeed in a diverse business environment. They include business writing, speaking, people management, negotiation, influencing, project management and leadership skills. They're

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encouraged but not required in the CPD Requirement. The amount of business and management skills you should take depends on your job and your level of expertise in business skills. The maximum amount of the CPD Requirement that can be satisfied by business and management skills is 15 units per two-year cycle.

### **B14. What counts as self-study?**

Many activities count as self-study, with the only exception being normal work duties. Acceptable self-study activities include, but aren't limited to, reading actuarial literature, statutes or regulations; reading books, papers or articles on relevant technical or professional topics; writing professional papers or articles; studying for actuarial exams; preparing presentations; research or distance learning. Self-study should require a reasonable degree of thought and would exclude "normal" reading such as newspapers, e-mail news updates, internal company memos or process documents.

### **B15. If I make a presentation at a professional event (including an employer-sponsored event), will that count toward my CPD Requirement?**

Yes. Writing the presentation counts as self-study time, while the actual presentation counts as structured credit.

*Example: Christopher Member will be part of a panel presenting on principle-based reserving for his local actuarial club. He spends three hours preparing the presentation. He presents his material, along with other members of his panel, at his actuarial club meeting, which lasts 1.5 hours. For this presentation, John earns 3.6 units of job-relevant self-study credit and 1.8 units of job-relevant structured credit.*

### **B16. I volunteer for an actuarial organization. Will I get credit toward the CPD Requirement for that activity?**

Volunteer time with an actuarial or other professional organization qualifies to the extent that the activity is job-relevant or relates to business or management skills. If the volunteer activity also involves interaction with other volunteers (such as a meeting or conference calls), it qualifies as structured job-relevant credit. For example, if you participate in research project oversight groups in which you read and review papers related to your area of practice, you'll receive self-study credit for the time spent reading and reviewing the papers and structured credit for any conference calls or meetings discussing the papers. But if you plan an organizational social event, you won't earn CPD credit for that work, since it's not job-relevant.

### **B17. Why does the CPD Requirement only consider volunteer activities with a "professional organization" or CPD credits earned at a "professional meeting"?**

This language is used primarily to distinguish those activities that are related to your profession with other personal interests and activities. Professional activities have many dimensions: they can relate to the actuarial profession, your industry, your clients' industries or other aspects of your job. Personal activities, such as volunteering at schools, houses of worship, food pantries or other organizations, do not relate to the maintenance of your professional skills.

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**B18. When would on-the-job professional development be considered to be a CPD activity, particularly job-relevant CPD?**

Learning something new for your job is a professional development activity that earns job-relevant CPD credit. Applying something new in your job is part of your normal job duties, and would not earn CPD credit. For example, learning a new regulation that you need to apply in your job would earn job-relevant CPD credit. Making recommendations to your client or boss on how to comply with the new regulation does not earn CPD credit because you've now applied what you've learned in your job.

**B19. Will the SOA be certifying events and other materials as eligible for CPD credit?**

No. We also will not certify approved providers. A wide range of activities can be considered as continuing professional development, and each member will make the determination of what activities count as job-relevant, business and management skills, professionalism, structured and non-structured credit under the SOA CPD Requirement for him or herself.

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**Structured Credit (Section B)**

**SC1. What is structured credit?**

Structured credit involves any learning experience in which there is an opportunity for interaction among participants, or any experience derived from such an interactive learning experience (see FAQs SC7, SC8, SC9, SC10 and SC11).

**SC2. Does structured education through my employer count toward the structured credit requirement?**

Yes. However, at least 7.5 units of structured credit each cycle must come from a source other than your employer. The 7.5 units minimum is to ensure that you receive continuing education from sources other than your fellow employees. If your employer sponsors a structured education event where an outside (non-employee) speaker is present, then that structured education is considered to come from a source other than your employer and counts toward the 7.5 units minimum.

*Example: Paul Member attends "lunch 'n' learn" sessions sponsored by his employer where his fellow employees present on professionalism and job-relevant topics. He earns 32 units of structured credit in 2009 and 2010 from these sessions. Paul must complete another 7.5 units of structured credit from a source other than his employer to meet his structured unit requirement.*

*Example: Sarah Member's employer sponsors a one-day meeting for employees where non-employee speakers are invited to discuss job-relevant topics of interest (e.g., accounting standards). There are four 75-minute sessions; three of the sessions include a non-employee speaker on the panel, while the fourth only includes fellow employees. Sarah can count this event for 3.75 hours (4.5 units) of job-relevant structured CPD credit from a source other than her employer and 1.25 hours (1.5 units) of job-relevant employer sponsored structured credit.*

*Example: Andrew Member's employer sponsors a session where there is a combination of employee speakers and non-employee speakers discussing job-relevant topics. The session runs for three hours. Because the session includes non-employee speakers, Andrew can count this event as 3.6 units of structured job-relevant CPD credit coming from a source other than his employer.*

**SC3. What if I attend an event sponsored by someone other than my employer but a fellow employee is the speaker? Is structured credit earned from that event employer or non-employer?**

You earn non-employer structured credit. If you participate in an event which has open participation (not limited to employees of the sponsor) then the CPD credit gained from that event is considered to be a non-employer sponsored credit. Other attendees were there (or could have been there) from an employer other than your own, which permitted the sharing of views that don't solely reflect the views of your employer.

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**SC4. Does education from other actuarial and non-actuarial professional organizations count as structured education?**

Yes. You can earn structured CPD credit from the SOA or any other actuarial or non-actuarial professional organization. The SOA will accept structured credit from any professional source, as long as it qualifies as either job-relevant or business and management skills.

**SC5. Does participation in electronic discussion forums where members discuss professional issues count as structured credit?**

No. For this purpose, electronic discussion forums are considered to be an informal gathering of colleagues, the 21<sup>st</sup> century equivalent to the discussion around the water cooler. As such, they are not considered to be a "learning experience" and do not count as CPD credit (either structured or self-study). If the discussion forum is used as part of an online classroom, it can count for structured credit (see FAQ SC6).

**SC6. When are online courses considered to be structured credit, and when are they self-study credit?**

An online course can provide (at least some) structured credit if there is an opportunity for interaction. For example, if there are "live" sessions where the instructor and students can interact, similar to a traditional classroom, these live sessions are the equivalent of classroom time and count as structured credit.

Or, the presence of an online discussion forum as part of an online course would provide participants the opportunity for interaction, allowing (at least some of) that course to be considered for structured credit. An online course with no opportunity to interact with the instructor or other participants would not earn structured CPD credit, but it would be eligible for self-study credit.

**SC7. How can I earn structured credit by "listening to an audio recording, viewing a video recording or reading a transcript of the event?"**

There are two ways to achieve credit from an organized activity where participants have the opportunity to interact. First, live participation in the event (e.g. attend a seminar, participate in a webcast). Secondly, members can earn structured credit if they relive the live experience through some recorded means: audio recordings, video recordings or transcripts of the event. The audio, video or transcript must be of an event where there was an opportunity for interaction. If you are listening to an audio, viewing a video or reading the transcript of an event, you claim credit for the year in which you're listening, watching or reading, not the year for which the event took place.

*Example: In March 2015 Sandra Member purchases the audio recording of an industry conference held in 2014. During April, she listens to 14.5 hours of audio recordings from that conference, and determines that 13 of them are relevant to her job. She can claim 15.6 units of structured job-relevant CPD credit in 2015.*



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**SC8. If I'm listening to an audio, viewing a video or reading a transcript from an event, is there any "expiration date" past which the event no longer would be considered job relevant credit?**

You are responsible for determining what content is job-relevant to you. There is no firm expiration date after which an audio recording, video recording or transcript would not be able to be used to meet the CPD Requirement. However, reading a transcript of a session from 1983 about potential regulatory changes in insurance is likely not job relevant in 2008. You are responsible for ensuring that the material you count toward meeting the SOA CPD Requirement meets the definition of job-relevant.

**SC9. I read a magazine article that reflects a panel discussion. Does that count as structured credit?**

It depends. If that panel discussion was presented at a live event – a meeting, seminar, webcast – and the article is a transcript of the event, then reading it does count as structured credit. However, if the panel discussion was brought together to generate the article, reading the article is self-study, not structured, credit. The test is two-pronged: first, the panel discussion had to have been held at a live event, and second, the article must be a transcript of the discussion. The article must meet both prongs of the test to count as structured credit.

**SC10. Does reading session slides or a session outline count as structured credit?**

No. Slides and outlines do not provide the full impression of the event; reading slides or an outline does not give you all the detail that "live" participants received. Only a transcript can be read to earn structured CPD credit.

**SC11. Does reading an article summarizing a meeting session count as structured credit?**

No (although it would count as self-study credit). Again, only a true transcript of the event provides the complete detail that participants received in the session itself which qualifies reading the transcript as structured credit.

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**Alternative Compliance Provisions (Section C)**

**AC1. To be able to use the alternative compliance standard, I have to be “subject to” that standard? What does that mean?**

We don't want to burden members with having to comply with multiple standards; that's why we included alternative compliance provisions to allow members to consolidate the number of requirements they need to understand. However, this does not mean that SOA members get to choose which alternative compliance standard they like the best. To be able to use an alternative compliance standard, you have to be subject to or have a reasonable expectation that you could be subject to that standard.

*Example: Debra Member is a member of the SOA and the CIA. She does not provide “services of an actuarial nature” (as defined in the CIA Qualification Standard) and is therefore eligible for an exemption from the CIA Qualification Standard. She is subject to that standard, even though she qualifies for an exemption. She can elect to meet the provisions of the CIA Qualification Standard to meet her SOA CPD Requirement as a means of alternative compliance.*

*Example: Rachel Member works in Germany. She is an SOA member but hasn't practiced in the United States and does not currently issue Statements of Actuarial Opinion in the United States. She will transfer to the United States, effective Jan. 1, 2013. Since she will now be practicing in the United States, she needs to be able to issue Statements of Actuarial Opinion. She meets the U.S. Qualification Standard requirements in 2012, to be able to issue Statements of Actuarial Opinion in 2013. She can use the U.S. Qualification Standard to meet her CPD Requirement since she had a reasonable expectation of having to meet the U.S. Qualification Standard.*

*Example: Jessica Member, based in the United States, is currently not employed. She wants to be able to re-enter the workforce at any time, and she knows to be employable she needs to be able to issue Statements of Actuarial Opinion. She meets the provisions of the U.S. Qualification Standard each year to keep her resume up to date. Jessica would be able to use the U.S. Qualification Standard as a means of alternative compliance, because she has a reasonable expectation of having to meet that standard, should she reenter the workforce.*

*Example: Eric Member is based in the United States but does not issue Statements of Actuarial Opinion. He does not meet the U.S. Qualification Standard. He decides to meet the provisions of the IAAust CPD Standard because he's always wanted to work in Australia. However, he has no reasonable expectation of working in Australia in the near future. Eric could not elect to meet the IAAust CPD Standard as a means of alternative compliance, because he's not subject to that standard (he's not an FIAA and does not practice in Australia) and he does not have a reasonable expectation of having to meet that standard.*

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**AC2. I'm already subject to the U.S. Qualification Standard. Why do I have to do both?**

You don't have to do both – you can elect to meet the U.S. Qualification Standard as a means of alternative compliance with the SOA CPD Requirement, and use that standard to fulfill both requirements. When you certify compliance with the SOA CPD Requirement, you will certify that you met the SOA Requirement by meeting the U.S. Qualification Standard. This way, you have to focus on meeting only one standard—the U.S. Qualification Standard. *You will not have to separately comply with both standards.* If your compliance is audited, you will show how over the two-year period, you met the U.S. Qualification Standard in each year.

**AC3. I'm subject to the CIA Qualification Standard? Can I elect to comply with that instead?**

Yes. If you're subject to the CIA Qualification Standard you may choose the alternative compliance path and meet your SOA CPD Requirement by meeting the CIA Standard. You will certify compliance with the SOA Requirement by certifying that you complied with the CIA Standard, and you will focus on meeting one standard—the CIA Standard. *You will not have to separately comply with both standards.* If your compliance is audited, you will show how over the two-year period, you met the CIA Qualification Standard.

**AC4. Do I need to do something else if I elect to use alternative compliance to meet the SOA CPD Requirement?**

Alternative compliance is considered to be compliance in full. Whether you meet the Basic Requirement Provisions of Section B or the Alternative Compliance Provisions of Section C, you must follow the Certification of Compliance procedures outlined in Section D. Document how you're meeting your chosen alternative compliance standard, and be sure to notify the SOA how you've met the standard starting with the cycle ending Dec. 31, 2010 (See FAQs C1, C10, R1 and R3).

**AC5. I'm subject to the U.S. Qualification Standard, but I don't need to meet it because I don't issue Statements of Actuarial Opinion. Does this mean that I can meet my SOA CPD requirement using alternative compliance and earning no CPD credit?**

No. You must completely fulfill the requirements of the alternative standard (the U.S. Qualification Standard or the CIA Qualification Standard) to be eligible for alternative compliance.

*Example: Jacob Member, FSA, who works in the United States, does not issue Statements of Actuarial Opinion (as defined in the U.S. Qualification Standard). Jacob does not need to comply with the continuing education requirements in the U.S. Qualification Standard. Jacob is still potentially subject to the U.S. Qualification Standard, so he can use it as a means of alternative compliance. To fulfill the SOA CPD requirement using the U.S. Qualification Standard as a means of alternative compliance, Jacob would have to fulfill the continuing education requirement of the U.S. Qualification Standard in its entirety (i.e. 30 units of CPD per year, six units in organized activities and three units of professionalism, etc.).*

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**AC6. I'm exempt from the CIA Qualification Standard. Does this mean I can meet my SOA CPD requirement using alternative compliance and earning no CPD credits?**

No. As noted in FAQ AC5, you must completely fulfill the requirements of the alternative standard (in this case, the CIA Qualification Standard) to be eligible for alternative compliance.

**AC7. I'm subject to the CPD Scheme of the Faculty & Institute of Actuaries (U.K. CPD Scheme). I can meet the U.K. CPD Scheme through Category 3. Does this meet the alternative compliance provisions of the SOA CPD Requirement?**

No. Category 3 and 4 of the U.K. CPD Scheme are specifically excluded as means of alternative compliance with the SOA CPD Requirement. Category 3 allows members to determine their own minimum number of CPD hours, and Category 4 does not require any CPD hours. The SOA Board felt that the lack of a specific minimum requirement did not meet the rigor of the other alternative compliance standards. You can elect to complete Category 1 or 2 of the U.K. CPD Scheme as a means of completing the SOA CPD Requirement, or you can meet the provisions of Section B of the SOA CPD Requirement.

**AC8. Is completing the Joint Board for the Enrollment of Actuaries' continuing education requirement a form of alternative compliance with the SOA CPD Requirement?**

No. However, under very limited circumstances it might be sufficient for the CPD cycle ending on Dec. 31, 2010. It depends on whether you qualify for the limited exemption for Enrolled Actuaries in Paragraph 2.2.8 of the U.S. Qualification Standard.

If you are an enrolled actuary, and you only issue Statements of Actuarial Opinion related to ERISA retirement plans and because of that you meet the Enrolled Actuaries exemption in paragraph 2.2.8 of the U.S. Qualification Standard, you meet the terms of the U.S. Qualification Standard. By meeting the terms of the U.S. Qualification Standard, you meet the SOA CPD Requirement, through alternative compliance. Meeting the Joint Board requirement meets the requirements of the U.S. Qualification Standard, and meeting the requirements of the U.S. Qualification Standard, in turn, meets the SOA CPD Requirement.

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**Certification of Compliance (Section D)**

**C1. How can I show I've complied with the CPD Requirement?**

Each year you will be asked to certify if you fulfilled the CPD Requirement, beginning year end 2010. Certification will be done electronically, with an option for certification in writing. In addition, you need to keep a personal log of CPD credits (see FAQs R1, R2, R3 and R4).

**C2. What will the electronic certification look like?**

We have not determined the final form of the electronic certification. The following is a sample of how it could look (example is for the CPD period 2014-2015):

- I certify that I have fulfilled the SOA Continuing Professional Development Requirement for the period 2014-2015 by meeting one or more of the following:
  - the Basic Requirement provisions of Section B
  - the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States
  - the Canadian Institute of Actuaries' Qualification Standard - Requirements for Continuing Professional Development
  - Category 1 or 2 of the CPD Scheme of the Faculty of Actuaries and Institute of Actuaries
  - the Continuing Professional Development Standard of the Institute of Actuaries of Australia
  
- I certify that I have not fulfilled the SOA CPD Requirement for the period 2014-2015.

The electronic compliance mechanism will let members check more than one box to indicate how they fulfilled the requirement because the SOA CPD Requirement allows members to combine the Basic Requirement Standard and alternative compliance provisions on a good-faith basis. See Section C3.

**C3. How long will I have to certify compliance?**

The exact length of the certification period has not yet been determined, but it will open several months before December 31, and extend after December 31, and into the following year to give members ample time to certify compliance for that cycle.

**C4. What is the difference between complying with the requirement and fulfilling the requirement?**

To comply with the requirement, you certify as of December 31 of each year whether you fulfilled the requirement. You fulfill the requirement by earning 60 units of CPD credit under the Basic Requirement Provisions of Section B or fulfilling one of the Alternative Compliance Provisions of Section C.

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**C5. What if I don't fulfill the CPD Requirement?**

If you fail to fulfill the CPD Requirement, the membership directory will show your compliance status for that CPD cycle as "Non-compliant." (See FAQ C6) In addition, you must inform anyone relying on your actuarial expertise that you did not fulfill the SOA CPD Requirement. This may include your employer and clients (See FAQs NC1, NC2 and NC4).

If you don't fulfill the CPD Requirement, you won't lose your credential. There is no impact on any of your member rights for failure to fulfill the Requirement.

**C6. How will compliance be shown in the membership directory?**

The membership directory will be altered to include a heading to indicate your SOA Continuing Professional Development Requirement compliance. Under that line, your compliance status will be shown for the most recent CPD cycle.

*Example: Michelle Member meets the SOA CPD Requirement for the first cycle by meeting the alternative compliance provisions of Section C (by meeting the CIA Qualification Standard). She lets the SOA know that she fulfilled the requirement. For 2011, her listing in the membership directory shows:*

<b>Personal Information</b>	<b>Designations</b>
Michelle Member	[Michelle's designations]
[Title]	<b>SOA Continuing Professional Development Requirement</b>
[Employer]	Compliant (2009-2010)
[Contact information]	[Other information as shown in the directory]

*Example: Mike Member was not able to complete his SOA CPD Requirement for the cycle ending Dec. 31, 2012. Starting in 2013, his listing in the membership directory shows:*

<b>Personal Information</b>	<b>Designations</b>
Mike Member	[Mike's designations]
[Title]	<b>SOA Continuing Professional Development Requirement</b>
[Employer]	Non-compliant (2011-2012)
[Contact information]	[Other information as shown in the directory]

*Mike is able to meet the alternative compliance provisions of Section C (the U.S. Qualification Standard for 2011 and 2012) by May 13, 2013. This completes his SOA CPD Requirement for the 2011-2012 cycle. He immediately lets the SOA know that he has fulfilled the Requirement for the 2011-2012 cycle and within a few days his membership directory listing is changed to read as follows:*

<b>Personal Information</b>	<b>Designations</b>
Mike Member	[Mike's designations]

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[Title]	<b>SOA Continuing Professional Development Requirement</b>
[Employer]	<b>Requirement</b>
[Contact information]	Compliant (2011-2012)
	[Other information as shown in the directory]

**C7. What if I don't comply (if I fail to let the SOA know whether I fulfilled the requirement)?**

If you fail to let the SOA know that you fulfilled the requirement, then the SOA will have to list your status as "Non-compliant" in the membership directory in the following year.

**C8. What if I don't want to be listed in the membership directory?**

Members must be listed in the membership directory; the minimum listing is name, designations and SOA Continuing Professional Development Requirement status. No additional employer or contact information must be shown. This is to ensure that a member of the public (including a professional employer), who checks on the CPD compliance status of an SOA member, is able to find the information easily.

**C9. Can the SOA "revoke" my credential if I fail to fulfill the CPD requirement?**

You will not lose your SOA credential for failing to fulfill the CPD requirement. You will have to notify users of your actuarial services, and the membership directory will show your compliance status as "Non-compliant." Please note that making a false statement about a credential would violate the actuarial Code of Professional Conduct and could be cause for disciplinary action.

**C10. I've met the provisions of one of the alternative compliance standards. As long as I follow the reporting procedures the other organization requires, have I complied with the SOA CPD Requirement?**

No. You have to let the SOA know that you've fulfilled the SOA Requirement by meeting the alternative compliance standard. If you fail to let the SOA know you've fulfilled the requirement, your compliance status will be listed as "Non-compliant" in the membership directory during the following year, even though you've earned the necessary credits.

**C11. What happens if I misrepresent my CPD Requirement status to someone (e.g. demonstrating that I have complied with the Requirement when I have not)?**

As with any misrepresentation of your credential, you could be subject to disciplinary action.

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## **Non-Compliance**

### **NC1. Do I need to inform anyone if I fail to fulfill the CPD requirement?**

Yes. You must inform anyone currently relying on your actuarial expertise that you failed to fulfill the SOA CPD Requirement. This may include your employer. See Precept 12 of the actuarial Code of Professional Conduct.

### **NC2. Do I have to tell my employer if I don't fulfill the CPD Requirement?**

That depends. If your employer relies on your actuarial expertise, then you have to let your employer know you did not meet the SOA CPD Requirement. You may have to notify your employer (or client) even if you are in a non-traditional role, or work for a non-traditional employer. It depends on the nature of your job duties.

### **NC3. Will the membership directory indicate if I have fulfilled the CPD Requirement?**

Yes. The membership directory will reflect whether you have fulfilled the requirement, by listing your status as either "Compliant" or "Non-compliant." If you do not certify compliance the membership directory will list your status as non-compliant (see FAQ C6). Members who are eligible for dues reduction due to retirement will be shown as "Retired." The SOA will provide guidance on its Web site and in other formats regarding the "Compliant" and "Non-compliant" status.

### **NC4. If I'm a consultant, and I have clients currently relying on my actuarial expertise, do I have an obligation to let them know that I did not fulfill the SOA CPD Requirement?**

Yes.

### **NC5. How will anyone know what "Compliant," "Non-compliant" or "Retired" means?**

The SOA will publish on its Web site and in other formats information regarding the meaning of "Compliant," "Non-compliant" and "Retired" as published in the membership directory. The description will clearly note that "Non-compliant" status denotes the non-fulfillment of the CPD Requirement and does not relate to qualification to practice or to membership status or rights. We expect that over time the marketplace will understand what the terms "Compliant" and "Non-compliant" mean.

### **NC6. If the membership directory lists my CPD Requirement status as "Non-compliant" how can I get it changed to "Compliant"?**

The membership directory status can be changed from "Non-compliant" to "Compliant" as soon as a member completes the cycle of CPD and notifies the SOA. This can be done mid-year as soon as you have fulfilled a cycle of CPD. You may also use alternative compliance to meet the CPD Requirement.

*Example: Bill Member, FSA, does not earn sufficient CPD credits as of Dec. 31, 2011. In 2012 the membership directory is changed to note his CPD Requirement*



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*status as "Non-compliant." Bill earns sufficient credits by May 15, 2012, such that he has 60 units of CPD credit for the 2011 and 2012 calendar years. As of May 15, 2012, Bill notifies the SOA and shortly thereafter the membership directory shows his CPD Requirement status as "Compliant."*

**NC7. The membership directory shows my status as "Non-compliant" and I can't figure out how to change it. What can I do?**

Contact the SOA Customer Service department. You can reach SOA Customer Service by phone at 888.697.3900 between the hours of 8 a.m. and 5 p.m. Central Standard Time or e-mail at [customerservice@soa.org](mailto:customerservice@soa.org).

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### Recordkeeping & Audit

#### **R1. What records must I keep to be able to prove compliance?**

A log of activity must be kept, showing how you met the requirement. The log will be different based on whether you are meeting the Basic Requirement provisions of Section B or an Alternative Compliance provision of Section C.

For the Basic Requirement provision, the log should include day, time spent (in minutes and/or units), description of the activity, whether the credit was self-study or structured, if structured credit, if the source was employer or non-employer, whether it was job-relevant, professionalism or business and management skills. The description of the activity should be detailed enough to show why this was a CPD activity. For example, a description of "attended internal webcast" is not sufficient. The description "attended internal webcast on likely impact of PBA on internal audit procedures" is sufficient. Similarly "read article in the *Pension Section News*" is not sufficient, but "read article titled "Recent IRS Regulations" in June 2011 *Pension Section News*" is sufficient.

For an alternative compliance method, the log should show how you met the terms of that requirement in its entirety. For example, the U.S. Qualification Standard has specific requirements for organized activity and professionalism; the log should show how those requirements were met, in addition to the U.S. Qualification Standard's general 30-hour requirement.

#### **R2. What additional proof do I need besides the log?**

None. There is no requirement to keep meeting handouts, attendance records, notes, or any other method of documentation.

#### **R3. If I'm following an alternative compliance standard, and I'm following the recordkeeping requirements of that organization, will that be sufficient for the SOA's purposes?**

That depends. If the other organization has no recordkeeping requirement, then clearly that is not sufficient. If that organization requires a log, or other similar recording of time spent, that should be sufficient, as long as that log or recording clearly details how you were able to meet the provisions of the alternative compliance standard.

#### **R4. How long do I need to keep records?**

One year from the date as of which you assert compliance. The SOA audit will happen shortly after the close of the compliance notification period. Remember, though, the SOA operates on a two-year cycle so you have to keep the log (or a duplicate) of the most recent year's records if you're counting that year in the next CPD cycle.

#### **R5. How will the SOA monitor compliance?**

The SOA won't take an active role in enforcement or verification but will audit a small number of members—approximately 1 percent, or 200 members annually—per CPD cycle to verify that members' records confirm compliance. To maintain the integrity

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of the self-reporting process, about 5 percent of audited members—or 10 members annually—will undergo a second review in which the SOA will gather proof of attendance at structured events. Please note that you're not responsible for retaining proof of attendance at structured events should you be audited; the SOA will work directly with the providers of structured education to verify your attendance.

### **R6. What is the purpose of the audit?**

An audit works to ensure good faith compliance on the part of all members, without requiring everyone to submit cumbersome paperwork. For example, an audit process is used by the Joint Board for the Enrollment of Actuaries to ensure enrolled actuaries comply with its continuing education requirement without requiring each enrolled actuary to submit documentation with their enrollment renewal. Early on, an audit also helps to ensure that everyone understands the Requirement. If we find that audited records show a misunderstanding of the provisions, then we know there's a point of confusion that we need to address.

### **R7. What happens if I'm audited? What happens if I fail an audit?**

If you are audited, you must provide a copy of your log showing how you met the Requirement. You are not required to keep anything other than a log of your CPD activities. You will not need proof of attendance for structured credit sessions, handouts or other forms of documentation.

If you "fail" an audit, and if you've made a good faith effort to follow the terms of the CPD Requirement, SOA staff will work with you to develop a plan to earn your missing credits on a timely basis. If you "fail" an audit and it is determined that you have not made a good faith effort to follow the terms of the CPD Requirement and have falsely certified compliance, you could be subject to disciplinary action.

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**Exemptions**

**E1. Is anyone exempt from the CPD Requirement?**

No. All members must comply with the CPD Requirement. You comply by letting the SOA know as of each December 31 whether you've met the provisions of the Requirement. If you do not fulfill the requirement by meeting the Basic Requirement Provisions of Section B, or one of the Alternative Compliance Provisions of Section C, then your CPD status in the membership directory will be shown as "Non-compliant" and you will be required to tell users of your services about your failure to fulfill the requirement (See FAQs NC1, NC2 and NC4).

**E2. Am I exempt if I don't practice in a traditional actuarial role?**

No. All ASAs, FSAs and members holding the CERA credential are subject to the CPD Requirement. That includes anyone who works in traditional roles and areas of practice and those who retain their designation but have moved away from traditional actuarial work into emerging areas of practice, such as financial services, or non-traditional roles, such as marketing. The CPD Requirement simply ensures that you obtain the "job-relevant" education best suited for your professional development.

**E3. Can I get an exemption or partial reduction in requirements if I work part-time?**

No.

**E4. Can I get an exemption if I'm retired?**

No, but if you qualify for dues waiver because of retirement, the membership directory will show your CPD status as "Retired" (see FAQs RE2, RE3, and RE4).

**E5. What if I become unemployed during a cycle or take a leave of absence to raise children or care for a family member? How will that affect the CPD Requirement?**

You are always subject to the CPD Requirement regardless of employment status. You can use your credential, but if you have not fulfilled the CPD Requirement then the membership directory will show your CPD Requirement status as "Non-compliant." If you are not employed then you should have no users of your actuarial services who would need to be notified of your non-fulfillment of the requirement.

**E6. Am I exempt if I am on a dues waiver?**

No. See FAQs E4 and E5.

**E7. Am I exempt if I earned my SOA credential through mutual recognition (rather than through the examination system)?**

No. See FAQ G5

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**E8. I do not have to meet the U.S. Qualification Standard because I don't issue Statements of Actuarial Opinion in the United States. Does that make me exempt from the SOA Requirement?**

No. See FAQ AC5

**E9. I'm exempt from the CIA Qualification Standard. Does that make me exempt from the SOA Requirement?**

No. See FAQ AC6

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**Candidates and Students**

**CS1. I'm an ASA still taking actuarial exams. Do I have to fulfill the CPD Requirement?**

Yes. An ASA working at a full pace through the exam process should easily meet the CPD Requirement. You can count study time for the exam and readings for FSA modules as self-study time. An effective attempt at an examination and completion of an FSA module earn structured credit. The CPD Requirement defines effective attempt, outlines the structured credit earned for making an effective attempt at a fellowship exam and outlines the structured credit earned for completion of the FSA modules (see Sections B6(f), B6(g) and B6(h) and FAQs G4, CS3 and CS4)

**CS2. I'm taking exams but haven't earned my ASA or CERA. Do I have to fulfill the SOA CPD Requirement?**

No.

**CS3. How do I earn CPD credit for FSA examinations and modules?**

You earn up to 15 hours of structured job-relevant CPD credit for an effective attempt at an FSA examination (effective attempt is defined in Section B6(f) of the requirement). In addition, you can count any study time toward that exam as self-study job-relevant CPD. Similarly, you earn 7.5 hours of structured credit upon successful completion of an FSA module and can count any time spent completing that module as self-study job-relevant CPD.

*Example: Ashley Member is taking the CSP-IU examination to complete her FSA. She spends 250 hours studying for the examination. While she doesn't pass the exam, she receives a score of four in her attempt. Ashley earns 15 units of structured job-relevant CPD credit for her effective attempt at the CSP-IU examination, plus she can consider 30 units of her study time as job-relevant self-study time (the requirement allows only up to 30 units of self-study time per cycle).*

**CS4. If I'm still completing my FSA, are studying, taking exams and completing modules enough to meet the SOA CPD Requirement in full?**

While what you do for exams and to complete the modules should fulfill most of your job-relevant credit requirements, you may need to do something else to earn three units of structured professionalism credit each cycle.

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**CS5. I earned my ASA and am working to complete my FSA. I need to comply with the U.S. Qualification Standard. Can I use alternative compliance and meet the SOA CPD Requirement?**

Yes. All members are eligible to follow the Alternative Compliance Provisions of Section C, including those still working on their FSA. However, your alternative compliance standard may not grant credit for taking exams, studying and completing modules in the same way as the Basic Requirement Provisions (Section B). Read the rules of your selected alternative compliance standard to determine what counts toward meeting that standard.

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**Retirees**

**RE1. In the membership directory, my "Employment Type" is listed as "Retired." Does that mean my CPD status will be listed as "Retired" as well?**

That depends. If you are eligible for reduced membership dues due to retirement, then your CPD status would be "Retired." However, if you're not eligible for reduced dues due to retirement, then your status would be "Compliant" or "Non-compliant," even if you've elected to list your employment type as retired.

**RE2. What does it mean to be eligible for reduced dues due to retirement?**

For 2009, there were two categories under which members could pay reduced membership dues due to retirement. They were category 2: attainment of age 55 and retirement to the point of current year's income (excluding retirement pay, Social Security or equivalent benefits and investment income) not exceeding the 2009 income limit (\$30,000) or category 3: attainment of age 70. While the categories do not change frequently, they are subject to change so members should check the SOA Web site for the most current information. The income limit changes annually (it is currently set at 80 percent of the U.S. per capita income, rounded to the nearest thousand).

**RE3. If I am eligible for reduced dues due to retirement am I subject to the SOA CPD Requirement?**

Yes. All members are subject to the SOA CPD Requirement. However, the default disclosure status (the status that will be disclosed if you don't demonstrate compliance – see FAQ RE5) will be "Retired" because you are eligible for reduced dues due to retirement.

**RE4. If I am eligible for reduced dues due to retirement, do I have to certify compliance?**

No. Your status will be noted as "Retired" if the SOA does not receive any notification of compliance.

No member is required to certify compliance. However, non-retired members will be shown as "Non-compliant" in the membership directory should they fail to certify compliance.

**RE5. I am eligible for reduced dues due to retirement. Because I do work occasionally, I maintain my continuing education to meet my qualification standards. Am I able to certify compliance so I can be shown as compliant in the SOA membership directory?**

Yes. You may certify compliance with either the Basic Compliance provisions of Section B or the Alternative Compliance provisions of Section C. If you certify compliance, you will be shown as "Compliant" in the membership directory. However, because you are eligible for reduced dues due to retirement, if you do not certify, your status will be shown as "Retired."



**FREQUENTLY ASKED QUESTIONS ABOUT  
THE SOA'S CONTINUING PROFESSIONAL DEVELOPMENT REQUIREMENT**

**RE6. If I am eligible for reduced dues due to retirement, would I ever be shown as “Non-compliant”?**

No. The default status for members eligible for reduced dues due to retirement is “Retired.”