COURSE STRATEGY GUIDE

# RET 201 – Retirement Plan Valuation
### Nov 2025/Mar 2026/Jul 2026

This Course Strategy Guide (Guide) is to provide an overview of course RET 201, to help the candidate understand the essence of this course and to provide a guide for how to prepare for the final assessment. However, while this Guide can be a valuable aid in preparation, the content of this Guide will not be tested.

## I.    Purpose of this Course

Welcome to the RET 201 course, which covers retirement plan valuation. Retirement plan valuations are performed for a variety of purposes, but the two most common types of valuations are to determine accounting entries for the plan or its sponsor (e.g., income statement expense or balance sheet asset or liability) and to determine the contribution the sponsor will make to the plan during the applicable period of time.

## II.    Recommended Approach in Preparing for the Course Assessment

This course strategy guide is intended to provide candidates with an organized approach to reading the syllabus material.

The candidate should be very familiar with the Learning Outcome Statements as described in the syllabus. These Learning Outcome Statements were the first ingredient in developing the syllabus and also guide the assessment committee when writing questions. The Learning Objectives set out the cognitive level needed to pass this assessment and will also provide an indication of what the candidates are expected to get out of the readings. Next to each reading on the syllabus, there is a list of the Learning Outcome Statements to which it applies.

The course of readings builds the candidate's knowledge, and each was selected to explain or illustrate one or more Learning Outcomes. While studying the syllabus material, candidates may want to consider both the organizational approach provided by this course strategy guide and to refer back to the Learning Objectives to remain focused on the educational goals being tested by this assessment.

The candidate should take note to focus on both the concepts and principles addressed in the course syllabus. Candidates may be asked to apply concepts and principles in a particular context in an assessment question. For example, although the candidate is not expected to remember detailed nation-specific requirements, the candidate may be expected to understand how to achieve certain design objectives within a specific regulatory environment as specified in the assessment.

We would remind you once more that mastering the Learning Objectives are of paramount importance to success on the assessment. They set the cognitive level needed to pass the assessment. Do review the Learning Objectives to ensure that you understand how the course of reading fits with them. The assessment questions are designed to test the syllabus material, but more importantly have been written to test the Learning Objectives.

We hope this overview helps you connect the themes in the readings into a more integrated, comprehensive understanding of the whole syllabus.

## III.     Course Syllabus Learning Objectives and Learning Outcomes

Note that several of the readings discuss U.S. and Canadian funding laws and regulations (and occasionally those of other countries), but they are on the syllabus to provide a general understanding. Specifics of funding laws and regulations in different jurisdictions will not be tested. For accounting valuations, only IAS 19 and ASC 715 will be tested.

We recommend that candidates begin with a few readings that provide basic context around the purposes and processes of valuation:

- **RET201-100-25:** *Canadian Pensions and Retirement Income Planning*, **Ch. 15**
- *Morneau Shepell, Handbook of Canadian Pension and Benefit Plans*, **Ch. 6**
- **ASOP 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions**. The specific requirements of this standard of practice will not be tested, but it is included because it provides a good overview of the considerations that go into most pension valuations.

We then recommend that candidates study cost allocation, equivalence, and smoothing methods that apply to multiple types of valuations:

- *Pension Mathematics for Actuaries*, covering cost methods
- **"Asset Valuation Methods under ERISA"**, while this is old and was U.S.-specific at the time it was written, it is included because it provides the mathematics for the common asset valuation methods.
- **"Guidance on Asset Valuation Methods"**, this provides considerations for evaluating the appropriateness of an asset valuation method
- **"Survey of Asset Valuation Methods for Defined Benefit Pension Plans"**, only the listing of types of asset valuation methods is included in the reading.

- **RET201-102-25: Pension Funding Exercises and RET201-101-25: A Problem-Solving Approach to Pension Funding and Valuations**, these are background only but provide practice using the cost methods
- **RET201-103-25: Actuarial Equivalence Calculations** provides the mathematics for converting benefits from one payment form or commencement date to another
- **"Embedded Options in Pension Plans: Valuation of Guarantees in Cash Balance Plans"** covers some specific types of embedded options that create unique valuation issues

The final topic that applies to multiple valuation types is the selection of assumptions. This is covered in the following readings, with multiple readings on selection of mortality and investment return/interest rate/discount rate assumptions because those are usually the assumptions that have the largest impact on pension valuation results:

- **"Selecting and Documenting Pension Assumptions Other Than Discount Rate, Investment Return, and Mortality"**
- **"Selecting and Documenting Mortality Assumptions for Measuring Pension Obligations."** This reading provides the core overview of mortality assumptions.
- **"CIA Educational Note: Selection of Mortality Assumptions for Pension Plan Actuarial Valuations"**, which provides supplemental information on mortality assumption selection.
- **"Forecasting Investment Returns and Expected Return Assumptions for Pension Actuaries."** This reading provides the core overview of investment return, interest rate, and discount rate assumptions.
- **"Duration and Convexity for Pension Liabilities"**. While candidates should be familiar with the basic concepts of duration and convexity from ASA coursework, this applies these concepts specifically to pension liabilities.
- **"Selecting Investment Return Assumptions: Considerations When Using Arithmetic and Geometric Averages"**
- **"Pension Actuary's Guide to Financial Economics" and "Pension Arbitrage Example"**. These provide a general introduction to the concepts of financial economics and how they apply to retirement plans and the selection of pension discount rates.
- **RET201-104-25: Use of Financial Economics in Pension Actuarial and Investment Practice**. This reading is intended to supplement the "Pension Actuary's Guide" by discussing how the concepts of financial economics have been applied (or not) in practice.
- **"Credibility Educational Resource for Pension Actuaries"**. Credibility Theory is important for the selection of many types of assumptions.

At this point, candidates can choose to first apply their general knowledge of valuation concepts to valuations for accounting purposes or funding purposes. The coverage of accounting will focus on the treatment under international (IFRS) standards and U.S. Generally Accepted Accounting Principles (GAAP). Some of you may work with plans in situations or jurisdictions where these standards do not apply. We only cover these two standards because of the limited time candidates have to study for the course assessment, but we believe they allow candidates to understand basic retirement accounting concepts that apply under other standards. The general readings on accounting valuations are as follows:

- **RET201-105-25: IFRS and US GAAP: Similarities and Differences, Ch. 5 only**. This document compares accounting under the two standards covered on RET 201.
- **RET201-107-25: Introduction (A58), IFRS1 (paragraphs 1-40 & Appendix A), IAS19, IFRIC14**. This is the text of the standard for international retirement plan accounting.
- **RET201-111-25: FASB Accounting Standards Codification Topic 715**. This is the text of the standard for U.S. GAAP retirement plan accounting.
- **"Corporate Pension Risk Management and Corporate Finance"**. This document helps the candidate understand the corporate management perspective on pension accounting.

The remaining readings on accounting valuations cover specific situations that require unique accounting treatment:

- **RET201-106-25: Accounting for Buy-ins**.
- **"Alternatives for Pension Cost Recognition—Implementation Approaches Using Bond Models**"
- **RET201-108-25: Alternative Approaches to Calculating Service and Interest Cost under FASB ASC Topic 715, KPMG**
- **RET201-109-25: Plan Curtailments & Settlements Under FASB ASC Topic 715 Relating to Plan Terminations, Part 1**
- **RET201-110-25: Plan Curtailments & Settlements Under FASB ASC Topic 715 Relating to Plan Terminations, Part 2**
- **RET201-112-25: Accounting for Plan Splits & Plan Mergers Under U.S. GAAP**
- **"Pension Risk Transfer: Evaluating Impact and Barriers for De-Risking Strategies"**. This reading is included under multiple Learning Objectives, but the accounting aspects of pension risk transfer are relevant here.

The syllabus readings on funding valuations cover general concepts that apply to the funding of retirement plans, primarily defined benefit (DB) plans. Candidates may currently work only with certain sponsor types (e.g., public- or private-sector employers) in certain jurisdictions that require the use of specific funding valuation approaches or typically use specific approaches by custom. We believe that pension actuaries should be familiar with the full range of funding valuation concepts because your employer, clients, or jurisdiction may change in the future and because you will need to be able to explain the reasons and consequences of using the required or standard approaches.

The funding valuation readings are as follows:

- **RET201-121-25: Introduction to Retirement Plan Funding**. This is the core reading describing funding practices. It was written specifically for RET 201 to be independent of the jurisdiction or type of plan and cover a broad range of actuarial approaches rather than just those allowed or required by local laws.
- **"Pension Risk Transfer: Evaluating Impact and Barriers for De-Risking Strategies"**. This reading is included under multiple Learning Objectives, but the funding aspects of preparing for a pension risk transfer are relevant here.
- **RET201-119-25: Benefit Security Pension Fund Guarantee Schemes**. This reading provides information about programs in different countries that guarantee pensions if the sponsor is unable to continue supporting the plan.
- **"Risk Management and Public Plan Retirement Systems - Appendices only (pp. 1-33 background only)"**. This reading covers some particular funding considerations specific to public plans.
- **RET201-118-25: CAPSA, Guideline No. 7, Pension Plan Funding Policy Guideline**. This reading provides general guidance on developing a funding policy.
- **RET201-120-25: Funding Policy for the Public Sector Pension Plans**. This reading provides an example of a specific funding policy. The details of this particular policy will not be tested, but the general principles of what should be in a funding policy may be tested.

Pension investment risk management is also included on the RET 201 course because we want all retirement actuaries to have some knowledge of this topic and particular aspects that are specific to retirement plans, such as pension risk transfer. Those who want a more in depth knowledge should take one or more courses in the Investment specialty area or the ALM elective. The investment readings on RET 201 are:

- *Fundamentals of Private Pensions*, **Ch. 27**. This a basic overview on pension investment risk management.
- **RET201-113-25: Pensions in the Public Sector, Ch. 9**. While this is written about public plans, it gives a general overview of asset-liability management (ALM) that is not specific to these types of plans.
- **RET201-114-25: Liability-Responsive Asset Allocation, Russell Research**. This discusses how asset allocation might depend on funded status.
- **RET201-115-25: Charting the Course: a framework to evaluate pension de-risking strategies (excluding Appendices)**
- **RET201-116-25: Practical De-Risking Solutions: Asset Duration and Interest Rate Risk**
- **RET201-117-25: Pension Plan Immunization Strategies: How Close Can You Get?**
- **"Pension Risk Transfer: Evaluating Impact and Barriers for De-Risking Strategies."** This reading is included under multiple Learning Objectives, but the risk management aspects of pension risk transfer are relevant here.
- **"New Solutions to an Age-Old Problem: Innovative Strategies for Managing Pension and Longevity Risk".**