OFFICE OF THE SECRETARY OF DEFENSE
1950 DEFENSE PENTAGON
WASHINGTON, DC 20301-1950

ADMINISTRATION AND
MANAGEMENT

MAR 29 2012

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT
GENERAL SERVICES ADMINISTRATION

SUBJECT: Committee Charter Consultation – *Department of Defense Board of Actuaries*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the *Department of Defense Board of Actuaries* (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, as amended and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectively requests that the Committee Management Secretariat review and approve the proposed charter (attached). The proposed charter has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O'Reilly, at 703-692-5949.

James D. Freeman II
Acting Advisory Committee Management
Officer for the Department of Defense

Attachments
Proposed Charter

CHARTER
DEPARTMENT OF DEFENSE BOARD OF ACTUARIES

1. Committee's Official Designation: The committee shall be known as the Department of Defense Board of Actuaries (hereafter referred to as "the Board").

2. Authority: The Secretary of Defense, under the provision of 10 U.S.C. § 183, the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 CFR § 102-3.50(a) (required by statute), established the Board.

3. Objectives and Scope of Activities: The Board shall provide independent advice and recommendations on matters relating to the Department of Defense (DoD) Military Retirement Fund, the Department of Education Benefits Fund and other funds as the Secretary of Defense shall specify, as set out in (4) below.

4. Description of Duties: The Board shall:

   a. review valuations of the Department of Defense Military Retirement Fund in accordance with 10 U.S.C § 1465(c) and submit to the President and Congress, not less than once every four years, a report on the status of the Fund including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;

   b. review valuations of the Department of Defense Education Benefits Fund in accordance with 10 U.S.C § 2006(e) and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;

   c. review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and

   d. furnish advice and opinions on matters referred to the Board by the Secretary of Defense.

   The Secretary of Defense shall ensure that the Board has access to such records regarding the Department of Defense Military Retirement Fund, the Department of Defense Education Benefits Fund, and other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183 as the Board shall require to determine the actuarial status of such funds.

5. Agency or Official to Whom the Committee Reports: The Board shall report to the Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness. The Under Secretary of Defense for Personnel and Readiness, in accordance with governing DoD policies and procedures may act upon the Board's advice and recommendations.

6. Support: The DoD, through the Office of the Under Secretary of Defense for Personnel and Readiness, shall provide support as deemed necessary for the Board's performance and functions, and shall ensure compliance with the requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b), governing Federal statutes and regulations, and governing DoD policies/procedures.

   The DoD shall provide information and assistance, as requested, to the Board. This information and assistance may include, but not limited to contracting authority, support contractors, and DoD Federally Funded research and Development Centers for studies and analysis support.

7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating costs to include travel, meeting and contract support, is approximately $103,000.00 and 0.6 full-time equivalents.

8. Designated Federal Officer: The Designated Federal Officer, pursuant to DoD policy, shall be a full-time or permanent part-time DoD employee, and shall be appointed in accordance with governing DoD policies/procedures.

   In addition, the Designated Federal Officer is required to be in attendance at all Board and subcommittee meetings for the entire duration of each and every meeting; however, in the absence of the Designated Federal Officer, a properly approved Alternate Designated Federal Officer shall attend the entire duration of the Board or subcommittee meeting.

   The Designated Federal Officer, or the Alternate Designated Federal Officer, shall call all of the Board's and subcommittees' meetings; prepare and approve all meeting agendas; adjourn any meeting when the Designated Federal Officer, or the Alternate Designated Federal Officer, determines adjournment to be in the public interest or required by governing regulations or DoD policies/procedures; and chair meetings when directed to do so by the official to whom the Board reports.

9. Estimated Number and Frequency of Meetings: The Board shall meet at the call of the Board's Designated Federal Officer, in consultation with the Board's Chairperson, and either the Secretary of Defense of the Under Secretary of Defense for Personnel and Readiness. The estimated number of Board meetings is one per year.

10. Duration: The need for this advisory function is on a continuing basis; however, this charter is subject to renewal every two years.

11. Termination: The Board is established by 10 U.S.C. § 183 and termination shall occur only upon change in the statutory authority.

12. Membership and Designation: The Board shall be comprised of not more than three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries. Board members shall be appointed by the Secretary of Defense, and their membership shall be renewed by the Secretary of Defense on an annual basis.

    Board members shall serve for a term of 15 years, except that a member of the Board appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. A member may serve after the end of the term until a successor takes office. A member of the Board may be removed by the Secretary of Defense for misconduct or failure to perform functions vested in the Board.

    Board members shall not be re-appointed for successive terms. The Chairperson of the Board shall be designated by the Under Secretary of Defense for Personnel and Readiness, on behalf of the Secretary of Defense, for a five-year term.

    Board members, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and shall serve as special government employee members, and shall, under the authority of 10 U.S.C. § 183((b)(4), serve with compensation, to include travel and per diem for official travel. A member of the Board who is not an employee of the United States is entitled to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay then currently being paid under the General Schedule of subchapter III of chapter 53 of title 5, United State Code, for each day the member is engaged in the performance of the duties of the Board. In addition, each member shall receive compensation for per diem and travel for official Board travel.

    The DoD shall provide non-voting technical advisors to assist the Board in execution of its duties. The following individuals shall designate one DoD employee from each fund under the Board's purview (the Department of Defense Military Retirement Fund, the Department of Defense Education Benefits Fund, and other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183) to serve as a non-voting advisor to assist the Board:

    a. the Under Secretary of Defense (Comptroller)/Chief Financial Officer;

    b. the Deputy Under Secretary of Defense for Military Personnel Policy;

c. the Assistant Secretary of Defense for Reserve Affairs; and

d. the Department of Defense General Counsel.

In addition, the Department of Defense Chief Actuary shall serve as a non-voting advisor and the Executive Secretary for the Board.

Each Board member is appointed to provide advice on behalf of the government on the basis of his or her best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

13. Subcommittees: The Department, when necessary, and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees deemed necessary to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense or the advisory committee's sponsor.

Such subcommittees shall not work independently of the chartered Board, and shall report all their recommendations and advice to the Board for full deliberation and discussion. Subcommittees have no authority to make decisions on behalf of the chartered Board; nor can any subcommittee or its members update or report directly to the DoD or any Federal officers or employees. Subcommittees shall comply with FACA.

All subcommittee members shall be appointed in the same manner as the Board members; that is, the Secretary of Defense shall appoint subcommittee members even if the member in question is already a Board member.

Subcommittee members, with the approval of the Secretary of Defense, may serve a term of service on the subcommittee of one to four years; however, no member shall serve more than two consecutive terms of service on the subcommittee.

Subcommittee members, if not full-time or part-time government employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109, and shall serve as special government employees, whose appointments must be renewed by the Secretary of Defense on an annual basis. Under the authority of 10 U.S.C. § 183((b)(4), these special government employee members shall serve with compensation, to include travel and per diem for official travel. In addition, each member shall receive compensation for per diem and travel for official Board travel.

All subcommittees operate under the provisions of FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b), governing Federal statutes and regulations, and governing DoD policies/procedures.

14. Recordkeeping: The records of the Board and its subcommittees shall be handled according to section 2, General Record Schedule 26 and appropriate Department of

Defense policies and procedures. These records shall be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552).

15. Filing Date:

Membership Balance Plan
Department of Defense Board of Actuaries

Agency: Department of Defense (DoD)

1. **Authority:** The Secretary of Defense, under the provisions of 10 U.S.C. § 183, the Federal Advisory Committee Act (FACA) of 1972, (5 U.S.C., Appendix, as amended) and 41 CFR § 102-3.50(a) (required by statute), established the Department of Defense Board of Actuaries (hereafter referred to as "the Board").

2. **Mission/Function:** The Board, under the provisions of 10 U.S.C. § 183 and FACA, shall provide independent advice and recommendations on matters relating to the Department of Defense Military Retirement Fund, the Department of Education Benefits Fund and other funds as the Secretary of Defense shall specify and shall:

   a. review valuations of the Department of Defense Military Retirement Fund in accordance with 10 U.S.C § 1465(c) and submit to the President and Congress, not less than once every four years, a report on the status of the Fund including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;

   b. review valuations of the Department of Defense Education Benefits Fund in accordance with 10 U.S.C § 2006(e) and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;

   c. review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis, and

   d. furnish advice and opinions on matters referred to the Board by the Secretary of Defense.

3. **Points of View:** The Board shall be comprised of not more than three members who are among qualified professional actuaries who are members of the Society of Actuaries.

   The Department shall provide non-voting technical advisors to assist the Board in execution of its duties. The following individuals shall designate one DoD employee from each fund under the Board's purview (the Department of Defense Military Retirement Fund, the Department of Defense Education Benefits Fund, and other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183) to serve as a non-voting advisor to assist the Board:

   a. the Under Secretary of Defense (Comptroller)/Chief Financial Officer;

   b. the Deputy Under Secretary of Defense for Military Personnel Policy;

c. the Assistant Secretary of Defense for Reserve Affairs; and

d. the Department of Defense General Counsel.

In addition, the Department of Defense Chief Actuary shall serve as a non-voting advisor and the Executive Secretary for the Board.

The Department of Defense, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing complex issues through a multidiscipline advisory committee provides the Department and, more importantly, the American public, with a broader understanding of the issues on which to base subsequent policy decisions.

Each member, based upon his or her individual and professional experiences, provides his or her best judgment on the matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and to serve as special government employees. Board members shall be appointed by the Secretary of Defense to a 15 year term of service, and their membership shall be renewed on an annual basis by the Secretary of Defense. A member of the Board may only be removed for misconduct or failure to perform functions vested in the Board.

The Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD established or supported advisory committees.

4. **Other Balance Factors:** N/A

5. **Candidate Identification Process:** The Department, in selecting potential candidates for this advisory committee, reviews the educational and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries. Potential candidates are identified by the Board's professional staff, current or departing Board members, the American Academy of Actuaries, and in some instances, by senior DoD officials.

   Once potential candidates are identified, the Board's Designated Federal Officer and professional staff review the credentials of each individual and narrow the list of potential candidates and forward the list to the Under Secretary of Defense for Personnel and Readiness. During the Under Secretary of Defense for Personnel and Readiness review, he or she strives to achieve a balance between the educational and professional credentials of the individuals and the subject matters that he or she anticipates will be reviewed by the Board to achieve expertise in points of view regarding anticipated topics.

   Prior to nominating the potential candidates, the list of candidates will undergo a review by the DoD Office of General Counsel and the Office of the Advisory Committee Management Officer to ensure compliance with Federal and DoD governance requirements; for example, compliance with the

advisory committee's charter and membership balance plan. Following this review, the Under Secretary of Defense for Personnel and Readiness formally nominates the potential candidates to the Secretary of Defense for approval; pursuant to DoD policy, only the Secretary of Defense or the Deputy Secretary of Defense can invite or approve the appointment of individuals to advisory committees established or supported by the DoD.

Following Secretary of Defense or Deputy Secretary of Defense approval, the approved candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

Board member vacancies will be filled in the same manner as described in the previous four paragraphs above.

Board members shall serve for a term of 15 years and shall not be re-appointed for successive terms.

6. **Subcommittee Balance:** The Department, when necessary, and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees deemed necessary to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense, or the advisory committee's sponsor.

   The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members in the same manner as Board appointments are made, and these individuals may come from the parent committee or new nominees, as recommended by the advisory committee's sponsor and based upon the matters under consideration.

   The Secretary of Defense may approve the appointment of subcommittee members for one to four year terms of service; however, no member, unless authorized by the Secretary, may serve more than two consecutive terms of service.

   Subcommittee member vacancies will be filled in the same manner as described in the previous two paragraphs above.

   As required by the Board's charter, these subcommittees operate under the provisions of FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b), governing Federal statutes and regulations, and governing DoD policies/procedures.

7. **Other:** The DoD adheres to the rules and regulations issued by the Office of Government Ethics and the Administration's prohibition against registered Federal lobbyists.

8. **Prepared:**