

NOTES ON THE TRANSACTIONS OF THE FACULTY OF ACTUARIES

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MACLEAN, J. B. *A new retirement system with provision for variable income*, pp. 327-78. Describes a deferred annuity scheme recently introduced in America, mainly for retirement benefits of teachers. The fund is invested entirely in ordinary shares and each premium is applied in purchase of a number of units depending on the current value of the investment portfolio; at each member's retirement date the number of units to his credit is used to purchase a fixed number of annuity units, and the successive cash payments (revalued in money terms once a year) are the current values of this number of annuity units. The annuitant's cash income thus fluctuates with the level of ordinary share prices and, since this is correlated with the cost of living, the scheme provides some protection against inflation. The paper answers the principal objections that have been raised against the plan, compares its results (over the short period for which it has been in operation) with the purchase of ordinary pensions of fixed amount, and concludes that the system meets a real need and is likely to spread.

HAYCOCKS, H. W. and PLYMEN, J. *Investment policy and index numbers*, pp. 379-453. The paper which was also submitted to the Institute (*J.I.A.* 82, 333), together with the discussion at Edinburgh.

Memoir: Sir EDMUND WHITTAKER, pp. 454-6.

E.C.E.