

*Pension Scheme Precedents.* By WILLIAM PHILLIPS.

[Pp. xx + 544 + 20. Sweet and Maxwell. 84s.]

THIS is a book for the specialist in the pension field, but in spite of its title and purpose it is very readable. The pension actuary—and what actuary is not nowadays—will find chapter and verse for much that is a part of his inherited equipment but which he has hitherto taken on trust, and will find pleasure in watching some of his hobby-horses being led triumphantly into the enclosure, while others are ‘nobbled’ on the way to the course.

The first eight chapters deal essentially with principles and the remaining chapters give precedents which, with the exception of a few special cases, have already been used in practice. The reader should resist the temptation to close the book at Chapter 8, treating the remaining chapters as a book of reference. These chapters are studded with brisk comment which clears away the cobwebs which have been gradually accumulating around the subject.

It is unfortunate that those paragraphs which are dependent on Inland Revenue practice must, many of them, become out of date as time passes and the practice changes (for example, the footnote to paragraph 231 is already out of date), and it is to be hoped that the author will be able to devise some means of coping with this problem.

The interest which the book has for the life office actuary is in no way diminished by the fact that he may disagree with a great deal of Chapter 6, which deals with the different methods of calculating pensions. The author lists nine methods, which incidentally are not easily recognized under his labels, and do not seem to be mutually exclusive, and he comments on their suitability for office scheme or self-administered scheme. These comments look odd against the background of with-profit schemes, controlled funding and partial insurance, to name three recent developments, and it is suggested that, given co-operation between the consulting actuary and the insurance company, the twin problems of the insured scheme, namely the pre-funding of benefits arising out of salary increases and the early retirement of employees who do not fall precisely within the category of the permanently and totally disabled, are capable of ready solution.

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