Chan: 'Challenges Kept Me on My Toes'

Departing Chief Actuary: 'Tried To Humanize the Work That We Do'

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RETIRING FROM THE RETIREMENT BUSINESS: Chief Actuary Sherry Chan (center) is departing her role working to ensure the city's five retirement and pension systems are properly funded after more than six years on the job. Ms. Chan, who will be joining a tech startup, said civil-servants should be proud of the city's pension operation.

Photo courtesy of Office of the Chief Actuary

"When you're making these pension contributions, you are actually affecting someone's family," said Sherry Chan, who is leaving her role as Chief Actuary after serving for more than six years.

"I looked for ways to make our staff aware of how important their work is to the city; to humanize
the work that we do."

Since being chosen for the job in 2015 after longtime Chief Actuary Robert North retired, Ms. Chan has brought her two decades of expertise to the city’s five retirement systems: the New York City Employees' Retirement System, the Teachers' Retirement System, the Fire Pension Fund, the Police Pension Fund and the Board of Education Retirement System. They serve 800,000 active and retired city employees and have over $200 billion in assets.

'Ensure Proper Funding'

"My prime responsibility is to make sure the pensions are properly funded," she said.

The Office of the Actuary monitors actuarial assumptions—including life expectancies, changes in retirement trends and estimating employees’ final salaries. Ms. Chan also worked with the State Legislatures to pass needed pension bills.

"It’s obviously been such an honor to serve as Chief Actuary for the past six-and-a-half years. If I’d spent that time anywhere else, I wouldn’t have gotten such a wealth of experiences," she said.

She reflected on achievements made by her team—notably, producing fiscal notes for pension bills that estimate the costs or savings that may result from approving them, has been streamlined significantly. Under her leadership, the Office of the Actuary also worked with unions to negotiate improved disability benefits for uniformed employees.

Ms. Chan is the first woman and person of color to serve as Chief Actuary. The size and complexity of the pension fund—the fourth largest pension and retirement system in the country, with 200 different plans within the five systems—provided a worthwhile challenge. Each year, the Office of the Actuary certifies $13 billion in required pension contributions.

"It’s kept me on my toes," she said.

Pandemic Concerns

When the coronavirus pandemic began to affect the city, Ms. Chan worried about both the pensions and city workers who continued to work on the front lines, putting their health in jeopardy.
"In late February and early March of 2020, the market was going south, so that was a major concern because as the city was losing funding—because there was less tourism and a loss of income tax because people were losing their jobs—at the same time, the pension fund is tanking. That was worrisome. Thank goodness things turned around," she said.

Another concern as her team's operations shifted to remote work was information-technology security. "We have massive amounts of data for individuals, so we had double security," Ms. Chan noted.

Before coming to the city, she served as the Chief Actuarial Officer for the Ohio Public Employees Retirement System and as Chief Actuary for the State Teachers Retirement System of Ohio. So her next move may seem like somewhat of a surprise: Ms. Chan will be joining a tech startup as its Chief Strategy Officer. The organization helps businesses use Artificial Intelligence data to increase their revenue.

'A Lot of Overlap'

"It may sound like I'm departing from the fields I've been working in for the past 20 years, but there is a lot of overlap between AI data and revenue," she noted. "Each has massive amounts of data fields."

She said that municipal workers should be "proud" of the pension system, and that she hoped the next Actuary, who must be jointly selected by elected officials and union leaders, will continue to build upon her team's work. Ms. Chan added that she hoped the city had learned one major lesson from history: to continue investing in its pension funds even when they're well-funded.

"We are in a very interesting time right now," she explained. "One of the retirement systems is fully-funded, the other four are heading there. When things were going well, public plans either increased benefits without projecting what [would happen] if the market tanks, or they took contribution holidays, and some of the pension funds tanked during the 2008 recession. If we have the resources, we should keep funding the pension fund in case there's a rainy day."

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