



OFFICE OF THE SECRETARY OF DEFENSE
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ADMINISTRATION AND
MANAGEMENT

January 4, 2004

Honorable Duncan Hunter
Chairman
House Armed Services Committee
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is a copy of the charter renewing the DoD Education Benefits Board of Actuaries, which is being filed with you in accordance with P.L. 92-463, the "Federal Advisory Committee Act."

Copies of this charter are also being filed with the Senate Committee on Armed Services and the Library of Congress.

Sincerely,


Jennifer S. Spaeth
DoD Committee Management Officer

Enclosure



CHARTER

DEPARTMENT OF DEFENSE EDUCATION BENEFITS BOARD OF ACTUARIES

OFFICIAL DESIGNATION: The Advisory Committee shall be known as the Department of Defense Education Benefits Board of Actuaries.

OBJECTIVES AND SCOPE OF ACTIVITIES: The Board shall annually advise the Secretary of Defense on the actuarial status of the Department of Defense Education Benefits Fund (hereinafter referred to as the “Fund”); shall furnish its advice and opinion on matters referred to it by the Secretary; shall review valuations of the Fund conducted under the provisions of Title 10, U.S.C., Section 2006(f); shall report to the Secretary of Defense annually on the actuarial status of the Fund; and shall recommend to the President and Congress such changes as, in the Board’s judgment, are necessary to protect the public interest and maintain the Fund on a sound actuarial basis.

The Board shall be composed of three members, who shall be appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries. The 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 has taken 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, and for no other reason.

Of the members of the Board who are appointed first, one each shall be appointed for terms ending five, ten, and fifteen years, respectively, after the date of appointment, as designated by the Secretary of Defense at the time of appointment. Members, other than those appointed for less than a full term—for example, the two members originally appointed for five- and ten-year terms and those appointed to fill unexpired terms—may not be reappointed for successive terms. The Chairperson of the Board shall be designated by the Under Secretary of Defense (Personnel and Readiness), on behalf of the Secretary of Defense, for a five-year term.

The Department of Defense (DoD) will provide representatives to advise and assist the Board. These representatives will be the DoD Chief Actuary, who is designated as the Executive Secretary for the Board, and four official observers, one each to be designated by the Under Secretary of Defense (Comptroller), the Assistant Secretary of Defense (Force Management Policy), the Assistant Secretary of Defense (Reserve Affairs), and the Office of the General Counsel.

PERIOD OF TIME NECESSARY FOR THE COMMITTEE TO CARRY OUT ITS PURPOSE:
Indefinite.

OFFICIAL TO WHOM THE COMMITTEE REPORTS: The Board is an independent activity that will make reports and provide advice and recommendations to the Secretary of Defense. Technical guidance and assistance will be provided by the USD(P&R) through the Deputy Under

Secretary Defense (Program Integration) and by the USD(Comptroller) through the Deputy Comptroller (Program/Budget).

AGENCY RESPONSIBLE FOR PROVIDING NECESSARY SUPPORT: The Office of the USD(P&R), through the Office of the DUSD(P&R)(PI), will provide such personnel, facilities, and other administrative support as deemed necessary for the performance of the Board's functions, and shall keep such records as necessary for determining the actuarial status of the Fund. Information and assistance to support Board deliberations may be required from other offices within the Office of the Secretary of Defense, the Military Services, and the Defense Agencies.

DUTIES: The mission of the DoD Education Benefits Board of Actuaries is to assist and advise the President and the Secretary of Defense on actuarial matters associated with the DoD Education Benefits Fund.

The Board shall approve all actuarial methods and assumptions (including assumptions of interest rates and inflation) in accordance with generally accepted actuarial principles and practices used for determinations under Section 2006 of Title 10, U.S.C.

The Board shall determine the education liabilities accruing to the DoD Education Benefits Fund under Chapter 30 of Title 38, U.S.C., and under Chapter 1606 of Title 10, U.S.C.

The Board shall determine the normal cost, as defined at 10 U.S.C. 2006(b)(2), for each fiscal year.

The Board shall determine the period of time over which any unfunded liability should be liquidated and shall determine an amortization schedule for the liquidation of such liability over that period.

ANNUAL OPERATING COSTS AND WORKYEARS: It is estimated that the annual operating costs for the Board will not exceed \$50,000 and one-half workyear.

NUMBER AND FREQUENCY OF BOARD MEETINGS: A minimum of one formal meeting shall be held annually. A quorum shall consist of the presence of a majority of the members plus two advisors to the Board. Meetings shall be held at the call of the Secretary of Defense, the USD(P&R), the Chairperson of the Board, the Executive Secretary of the Board, or the written request of a majority of the Board members.

TERMINATION DATE: The Board is established as a permanent group under Title 10, U.S.C., Section 2006. Termination will occur only upon change in the statutory authority.

COMPLIANCE: The Board shall comply with the requirements of Section 2006 of Title 10, U.S.C. ("Department of Defense Education Benefits Fund"), the Federal Advisory Committee Act (5 U.S.C. App I), DoDD 5105.18 ("Department of Defense Committee Management Program"), and other applicable directives and regulations.

FILING DATE: January 4, 2004