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A.A.S. **3**, I/II, 127-185 (2008)

STOCHASTIC ACTUARIAL MODELLING OF A DEFINED-BENEFIT SOCIAL SECURITY PENSION SCHEME: AN ANALYTICAL APPROACH

Page 136: Add the following sentence at the end of the last paragraph:

"Note that the square of a function, that is $(f(.))^2$, is sometimes indicated as $f^2(.)$."

Page 146, second paragraph under 4.2.1: The last sentence should read:

"Strictly speaking, in the case of funded systems, the reference here should be to the *discounted* benefit and salary projections."

Page 147, 4.2.2: The first sentence should read:

"In the framework of the continuous formulation of the theory in this paper, the *PAYG* system balances the income and outgo at each point in time."

Page 147: In (28), replace "$DS(t)$" by "$S(t)$" and "$DB(t)$" by "$B(t)$".

Page 149: Replace the first sentence after (32) by the following text:

"The lognormal approximation cannot be applied to $F(t)$ because its expression — see first line of (33), with due regard to the definition of $K(z)$ — involves a lognormal term with a negative sign, which could predominate; therefore this is also the case with $\Omega(t)$. To obtain confidence limits for $\Omega(t)$, either Fieller's method or the normal approximation will need to be used — see last paragraph of Appendix C."

Page 175: The last sentence should read as follows:

"As the relative importance of the latter term increases with $N(0)$, for sufficiently high values of $N(0)$ the first term could be neglected, which facilitates the statistical analysis — see B3 of Appendix B."

Page 180: [37] should read as follows:

$$u = \frac{vz - \mu}{(\theta^2 z^2 - 2\phi z + \sigma^2)^{1/2}}$$

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Page 181, first line: The text enclosed within brackets should read, "(preferably, less than 1/3)"

Page 181: Add the following paragraph after [40]:

"If x or y cannot be assumed to be lognormal but both are regarded as approximately normal, Fieller's method — see [37] — might be applied, subject to the stated condition being satisfied and to reasonable results being obtained, or the normal assumption could be applied directly to z, with recourse to the approximate expressions in [36]."

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