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Letter of Comment No: 3551
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From: Joyce Jensen [jjensen@sierrahealth.com]
Sent: Wednesday, June 09, 2004 7:07 PM
To: Director - FASB
Subject: Share-Based Payment Exposure Draft

Joyce Jensen
2724-2 N. Tenaya Way
Las Vegas, NV 89128

June 9, 2004

Ms. Suzanne Bielstein
Financial Accounting Standards Board
401 Merrit 7
Norwalk, CT 06856-5116

Dear Ms. Bielstein:

Re: Share-Based Payment Exposure Draft

I work for a company that allows employees to purchase my employer's stock at a discount through an Employee Stock Purchase Plan (ESPP). I understand that the Financial Accounting Standards Board (FASB) has proposed a change to accounting standards that would require my company to count this discount as an expense against its earnings (Share-Based Payment exposure draft). I respectfully request that you reconsider this proposal and not require expensing of the discount allowed in ESPPs.

I am concerned that required expensing of the discount in the ESPP may make this valuable benefit plan less attractive to my employer, potentially causing my employer to either discontinue the plan, or reduce or eliminate the current discount. If the discount is greatly reduced or eliminated, buying company stock through the ESPP would no longer be much of a benefit. Unlike benefits aimed only at high-paid executives, this is a valuable benefit for employees across the company.

The ESPP is a very important benefit to me. Being able to participate in an ESPP has enabled me to invest in my financial future and experience a sense of ownership in my company. This benefit helped attract me to and serves as an incentive for me to remain with my employer. I could even say I continuously strive to perform to the best of my ability because I am an owner of the company.

Administrative Coordinator, Legal Dept.
Sierra Health Services, Inc.

I personally feel a strong loyalty to this company because of the excellent benefits it provides for its employees. The ESPP is one of the best! My husband is also an employee, and we had never been able to purchase stock before we started working here. With the proceeds from our company stock sales, we have been able to pay off our debts and make trips across the country to see our grandchildren, which has made us very happy! If this Share-Based Payment Exposure Draft is passed, the company would likely have to discontinue offering the ESPP, or at least make it a much less attractive benefit, which would make us very sad.

This morning I was reviewing the SHS Headcount Report, which includes statistics on employee turnover. I have been involved in human resources at three businesses prior to coming to work here, so I was aware of their employee numbers, too. None of the other companies offered an ESPP, and

their employee turnover rate was significantly higher than Sierra's rate is. The ESPP has been a strong incentive for Sierra's employee retention, and probably for other companies that offer an ESPP as well. That's good for business!

Millions of workers like me in companies across the country are able to purchase their employer's stock through ESPPs. This builds company loyalty and helps to promote high standards of work when employees have a sense of ownership.

I strongly urge FASB to consider the negative impact the proposed rule would have on the nearly 16 million workers like me and eliminate the expensing requirement for ESPP discounts in the final rule.

CC:
SEC, Chairman, William Donaldson
SEC, Chief Accountant, Donald Nicolaisen
Employee Ownership Coalition (eoc@vennstrategies.com)

Sincerely,

Joyce A. Jensen