From: Lynette Sheldon (Benmark) [mailto:LSheldon@CBIZ.com]

Sent: Thursday, August 03, 2006 2:58 PM

To: Director - FASB

Subject: EITF 0604 Comment

August 3, 2006

VIA EMAIL (director@fasb.org)



LETTER OF COMMENT NO.

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Director Financial Accounting Standards Board Emerging Issues Task Force

RE: <u>EITF0604 - Comment Regarding Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements</u>

Dear Sir or Madam:

I am aware that the EITF is proposing a radical change to accounting for split-dollar life insurance benefits under endorsement-style arrangements. As a member of a community with many smaller banks, I am concerned about the impact this will have on my community. Accordingly, I respectfully submit the following comment for your consideration.

First, split dollar agreements generally indicate that employees' beneficiaries would only receive a death benefit if there was an insurance policy in place at the time of death. If there is no policy, there is no death benefit.

Second, the death proceeds are paid to the named beneficiary directly from the insurance company.

Why would a bank, under these proposed accounting changes, essentially be required to accrue for a benefit that it would never be required to pay?

Small businesses are at a disadvantage from the beginning. With increased expenses, how will small banks compete? Won't the proposed change require banks to lower its retained earnings to account for its existing split-dollar arrangements?

What is the solution - not having the benefit? Without certain benefit plans to recruit and maintain qualified employees (executives), I fear my community banks will disappear. They could be gobbled up by the national banks, or they could just fold due to lack of competent employees (management). Either way, empty buildings and loss of jobs will result. Empty buildings promote physical the decay of the community. Loss of jobs promotes unhealthy economic effects in the community.

Therefore, I urge the FASB not adopt this proposed change in accounting treatment of post-retirement split-dollar, and instead adopt the treatment supported by the proponents of View B, for the reasons stated in View B, which is the current practice.

Sincerely,

Lynette Sheldon Benefit Plan Administrator CBIZ/Benmark Telephone: 800-544-6079 ext.2456 Fax: 770-799-4895