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STAN ROSS DEPARTMENT OF ACCOUNTANCY

11 November 2003

Letter of Comment No: 98
File Reference: 1025-200
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Director of Research and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, Connecticut 06856-5116

Dear Sir:

This letter is in response to your Exposure Draft, "Employers' Disclosures about Pensions and Other Postretirement Benefits," file reference 1025-200.

With one exception, I concur that the proposed changes would provide more information to report users about employers' pension plans and other postretirement benefits. But it is about the one exception that I write.

The Exposure Draft (para. 4, fn. 2) would eliminate the requirement of Statement 132 to provide reconciliations of beginning and ending balances of the fair value of plan assets and benefit obligations. This was perhaps the biggest improvement of Statement 132 over Statement 87. It made the reconciliation of the funded status of the plans much more understandable to students in my classes and CPA participants in my continuing education programs than the presentation illustrated in Statement 87 to which the Exposure Draft reverts.

The rationale offered in the Exposure Draft (p. iv and para. 33) is not requiring the reconciliations is that it ". . . would provide a more focused approach for key items previously included in the reconciliations." The Exposure Draft (para. A33) also notes that ". . . while the reconciliation approach may be more complete and financial statement preparers are accustomed to providing it, a more focused approach would be more useful to users of financial statements." I do not understand why a less complete ("more focused") approach would be more useful to users—it's illogical.

Accordingly, I urge you to continue to require disclosure of the reconciliations.

Sincerely,



Hugo Nurnberg
Professor