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May 30, 2006

LETTER OF COMMENT NO. 69

Technical Director – File Reference No. 1025-300
c/o Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-6116

Subject: File Reference No. 1025-300 – Exposure Draft entitled, *Employers' Accounting for Defined Benefit Pension and Other Post Retirement Plans*

Dear Sir/Madam:

Pfizer Inc. welcomes the opportunity to provide the Board with our comments concerning the Exposure Draft on *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. Pfizer provides both defined pension benefits and postretirement medical and life benefits for the majority of our employees worldwide through approximately 115 benefit plans.

Pfizer generally agrees with and supports the Board's tentative conclusions. We believe that placing the funded status of benefit plans on the face of the balance sheet will provide the readers of financial statements with a clearer picture of the true impacts of defined pension and postretirement benefit plans. However, we do have some additional comments and suggestions for the Board's consideration before a final statement is issued.

Treatment of Transition Asset or Obligation

Pfizer believes that the effect of any unrecognized transition asset or obligation should not be adjusted to the opening balance of retained earnings as proposed, but rather treated in the same manner as all other unrecognized items and initially included in *accumulated other comprehensive income*. Since most defined pension and postretirement benefit plans have negligible unrecognized transition amounts remaining, these amounts should continue to be amortized over future periods. In this way the need to restate prior year income statements would be avoided, published results would remain the same and the accounting methodology used for all years would be consistent.

Balance Sheet Classification of Pension Assets and Liabilities

Pfizer appreciates the Board's efforts in lending some clarity in addressing how companies would distinguish between the current and non-current liabilities for underfunded defined pension and postretirement benefit plans. However, we feel that the Exposure Draft is lacking in providing specific guidance on how the same assessment would be made for determining the current and noncurrent asset classification for overfunded defined benefit pension and postretirement plans. It is our belief that an asset would only be classified as current for any overfunded defined benefit pension and postretirement plans that are contemplated to be terminated or are part of a plan to dispose of a business within the next 12-month period. This rationale would also apply for classifying current liabilities representing underfunded defined pension and postretirement plans. We feel that these specific circumstances, and any others the Board deems appropriate, should be specified and discussed in the final document.

Measurement Date Other Than Financial Statement Date

We believe that the Board should retain the current rules that allow measurements dates to be up to three months prior to the balance sheet date. Requiring all companies to measure their benefit plans at the financial statement date would place an undue burden on the various service providers attempting to gather data and perform the necessary calculations for this information. This situation is further exacerbated given the SEC's reporting deadlines that require registrants to file within a short time frame after their fiscal year end. This would provide little time to review, analyze, incorporate the data into the financial statements and then have the auditors audit the information.

In addition, we believe overall costs would increase since companies would be competing for the limited resources of service providers in gathering this information in a relatively short period of time. Since these calculations reflect estimates relating to long-term projections of liabilities and assets, we believe there generally would be no meaningful difference between estimated values determined at the financial statement date versus up to three months earlier. Additional disclosure requirements could also be considered for companies using an earlier date.

We again thank the Board for giving Pfizer the opportunity to voice our opinions and concerns about this Exposure Draft. If the Board wishes to have any further clarification concerning Pfizer's position please do not hesitate to contact me.

Sincerely,

/s/ Loretta Cangialosi

Attachment

cc: Alan Levin
Senior Vice President and Chief Financial Officer