

LETTER OF COMMENT NO.

Subject: FW: Re:FSP FAS 158 A and Conforming Amendments to Illus. APP.B,C

From: Joseph S. Maresca [mailto:Joemath@Mindspring.com]

Sent: Sunday, December 17, 2006 10:15 AM

To: Director - FASB

Subject: Re: Re: FSP FAS 158 A and Conforming Amendments to Illus. APP.B,C

---- Original Message ---From: Joseph S. Maresca
To: director@fasb.org

Sent: Saturday, December 16, 2006 11:53 PM

Subject: Re:FSP FAS 158 A and Conforming Amendments to III., APP. B,C

Summary: FSP FAS 158 a conforms amendments to illustrations and the APP. B,C for changes referred to in unrecognized gains/losses, unrecognized prior service costs and credits and unrecognized transition assets/obligations to refer to amounts in accumulated Other Comprehensive Income or OCI. It eliminates reconciliation of the funded status of defined benefit post retirement plan to amounts in the employer's Statement of Financial Position. It eliminates illustrations and guidelines to additional minimum pension liabilities and the measurement date.

Beginning with Illustration 3- Amortization of Prior Service Costs as a Component of Net Service Cost

The expected future years of service of the participants' active at the amendment date and expected to receive benefits will give appropriate weight to population decrements based on actuarial assumptions and not benefits per se. These actuarial assumptions should be actuarially based utilizing metrics of the applicable actuarial standards bodies promulgated to formulate and apply actuarial standards and not solely by the judgments of the internal management.

Changes in Obligations Expected to be Recognized in OCI or the Net Periodic Pension Cost

The contribution recognition date is the last day of the year. This date causes internal systems implications for leap year considerations in the computer algorithms. The organization should consult with the IT organization on the practicality of implementing this requirement into the existing systems and the requisite enhancements in computer algorithms to account for leap year considerations.

FSP 158a -Retiree Share of Gross Eligible Charges pp. 62 +

The projected annual cap is based on life expectancy, improvements in medical technology , Artificial Intelligence Advice Giving Systems which maximize the medical diagnostic capability thereby reducing unnecessary medical interventions or medical interventions in error, government action on enhancing food technology which enhances the life expectancy and other improvements aimed at reducing costs and ultimately the gross eligible costs.

The market-related value of plan assets is determined with a total return on plan asset components comprising an expected return on asset components as adjusted. Changes in accumulated benefit obligations are made for discount rate changes and variant components. The Board will treat all pay-related pension plans the same. i.e. The projected unit credit method is used for final pay and career average pay pension plans.

Generally, the member agrees.

The Statement (p. 156 E54) requires that assumed compensation levels be consistent with the assumed discount rates to the extent they incorporate expectations of some future economic conditions.

i.e. discount rates at which pension benefits are settled.

Additionally, employers use rates implicit in current prices and annuity contracts as the basis to determine best estimates of effective settlement rates. Generally, the member agrees.

The Statement 88 (p. 169)

It would be helpful to formulate or cross-reference to an example of the annual benefit covered by annuity contracts issued by the employer and related parties.

The spin-off journal entries provide useful information. pp. 202-5

Prior service costs included in accumulated OCI associated with service years no longer expected to be rendered should be recognized in earnings in the event of curtailment. The member agrees.

Dr. Joseph \$. Maresca