

Stacey Sutay

Subject:

FW: File reference No. 1025-200 (revisions to FAS 132, etc.)



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Letter of Comment No: 89A
File Reference: 1025-200
Date Received: 10/31/03

-----Original Message-----

From: Tom Schryer [mailto:tschryer@findleydavies.com]
Sent: Friday, October 31, 2003 9:54 AM
To: Director - FASB
Cc: Eddie Vaughn; Neville Arjani; Paul Gibbons
Subject: File reference No. 1025-200 (revisions to FAS 132, etc.)

I liked several proposed changes. However, as an actuary I doubt the "value added" of a few changes -

Issue 3a

Requiring disclosure of a 5-year estimate of benefit payouts is reasonable but the request for the total amount thereafter is going to cost each plan roughly an extra \$200 to generate. The information is not available inside actuarial systems, even though one not versed in actuarial science might imagine that it is. So, an additional valuation run using 0.00% interest will probably end up being needed to get this figure. Maybe the disclosure could be required only for plans with \$50,000,000 or more in assets.

Bond salesmen might be requesting this information but they should do so in the context if investment management for the rare pension plan for which such analyses are needed - not the entire universe of plans.

Issue 11

Requiring the new information in December 31, 2003 disclosures will be burdensome. One of the problems is the need for a concise guide (1-2 pages) explaining exactly what to add - and probably providing suggested formats so you do not get inconsistent presentations. The actuarial systems need more time for programming changes since testing, documentation, distribution, etc. will also be required. Maybe June 30, 2004.

Current Investment Mix

The request for information on the securities currently held by the plan probably does not recognize the reality of asset statements: many are pretty bad. Maybe the disclosure of such breakdown could be required only for plans with \$50,000,000 or more in assets - which would probably capture the companies for whom people want this sort of information (without adding potentially \$1,000 worth of asset statement adjustment work for each other plan).

Thanks for the attention. Kim Petrone said that you would probably still accept comments.

Tom

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