

Letter of Comment No: 85
File Reference: 1025-200
Date Received: 10/27/03

October 27, 2003

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Via e-mail: director@fasb.org

RE: FILE REFERENCE NO. 1025-200

RBC Financial Group would like to thank the Financial Accounting Standards Board ("Board") for this opportunity to comment on the proposed statement on *Employers' Disclosures about Pensions and Other Postretirement Benefits* ("Statement").

In light of the complexity of pension accounting, and the issues that have arisen in recent years related to pension and other postretirement plans, we acknowledge the need for improved disclosures and increased transparency for these plans. We commend the Board's efforts to enhance disclosure regarding pension and other postretirement benefits. We realize that users of financial statements have particular interest in pension asset mix, separation of assumptions used for the measurement of net benefit cost and benefit obligations, sensitivity information, defined benefit pension plan accumulated benefit obligation and employer's contributions to the plans. However, we urge the Board to consider our comments in the following areas:

Plan Assets

The proposed Statement requires disclosure of the range and weighted average of contractual maturities or terms of all debt securities with the purpose of enabling the users of financial statements to assess how well the investment cash flows are matched with benefit payments. While we support providing users with additional pension asset details, we believe that this requirement is of limited value in achieving the Board's stated objective, because many pension plans invest in both equity and debt securities. Therefore, we request the Board to remove this requirement from the final standard.

For a company that uses a measurement date prior to its fiscal year end, the Board should clarify that the asset mix information is to be presented at the measurement date.

Cash Flow Information

The proposed Statement requires disclosure of a schedule of estimated future benefit payments included in the determination of the benefit obligation, as of the date of the latest balance sheet presented, for each of the five succeeding fiscal years and the total

amount thereafter with a deduction of total interest amount. This presentation is similar to that of operating lease commitments or loan repayments. However, the nature of the benefit obligation is different from that of operating lease commitments or loan repayments. Since the benefit obligation is an estimate of a long-term liability, we are concerned that this presentation may mislead the users to believe that the estimated future benefit payments presented for each of the five succeeding fiscal years are determined with a high degree of precision. In fact, the actuarial valuation to calculate the benefit obligation is based on assumptions of future events (e.g. future salary increases, retirement scale, etc.) that may change in the future. Due to these reasons, we recommend the Board exclude the disclosure requirement of a schedule of estimated future benefit payments from the final standard.

With respect to the disclosure of the employer's contributions expected to be paid in the next fiscal year, it would be difficult to obtain up-to-date information for the year-end disclosure, as the funding valuation may be performed at a different time than the accounting valuation. If the final standard retains this requirement, it should allow companies to use the funding requirement of the last filed actuarial report for the disclosure.

In addition, the proposed standard requires expected contributions to be presented for only the next fiscal year, whereas the expected future benefit payments are disclosed for the next five years and thereafter. Therefore, it does not provide enough information for the users to assess the future cash flows.

Measurement Date

In case of changes in economic condition (e.g. discount rate) between the measurement date and year-end date, the final standard should not require impact of changes on the plans (e.g. benefit obligations) to be disclosed. Otherwise, another actuarial valuation would be required to be performed at the year-end date which would negate some of the benefits of using an earlier measurement date.

Should you have any questions regarding the issues discussed in this letter, I would be pleased to discuss our comments with you further. Thank you.

Yours very truly,

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