



Letter of Comment No: 37  
File Reference: 1025-200  
Date Received: 10/27/03

October 27, 2003

Mr. Lawrence W. Smith  
Director - Technical Application and Implementation Activities  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856

Dear Mr. Smith:

FILE REFERENCE NO. 1025-200

We appreciate the opportunity to comment on the FASB's proposed Statement on *Employers' Disclosures about Pensions and Other Postretirement Benefits*.

Partners HealthCare System is one of the largest charitable diversified health care services organizations in the United States. Three of our affiliated hospitals have defined benefit plans with combined pension assets in excess of \$1 billion.

We have reviewed the proposed Statement and have discussed the many implementation issues with our actuaries, Towers Perrin. We believe that additional and clarified disclosures will benefit users of employers' financial statements by providing additional information concerning employers' pension and other postretirement benefit plans.

We have reviewed the attached comment letter from Towers Perrin, dated October 17, 2003, and concluded that it is consistent with our responses and observations to the specific questions you have raised in the proposed Statement.

We are especially concerned about Issues 1, 3, 7 and 8.

**Issue 1 - Plan Assets.** We strongly encourage the Board to eliminate the expected long-term rate of return reconciliation from the table. We believe that a description of the factors considered in developing the assumed rate would be more relevant and reliable.

**Issue 3 - Cash Flow Information.** We believe that disclosure of benefits expected to be paid from the employer's assets and those expected to be paid from plan assets would

Mr. Lawrence W. Smith  
October 27, 2003  
Page 2

provide the most useful information for assessing cash flows and how well benefit payments align with plan asset maturities.

**Issue 7 - Measurement Date(s).** We believe the measurement date can be easily disclosed and is useful. However, we also believe that financial statement users can reasonably be expected to be aware of changes in the capital markets and the likely affect on plan assets and benefit obligations without requiring companies to incur the additional cost of more precisely measuring those effects.

**Issue 8 - Reconciliations of Beginning and Ending Balances of Plan Assets and Benefit Obligations.** We believe that the current reconciliations provide the information in a much more understandable and consistent manner and alleviate the need to search for the information elsewhere in the footnote.

We appreciate the opportunity to comment and would be pleased to discuss our comments and concerns with you further, if you so desire.

Sincerely Yours,

James J. Kelly, Jr.  
Corporate Controller