

Commentary on Proposed SFAS on Employers' Disclosures about Pensions and OPEB's

Issue One

In response to issue one, we are in full agreement. The disclosure of information for each major category of plan assets would be beneficial to investors. We feel this information gives investors insight into exactly how the plan is funded, and allows them to forecast future funding patterns based on the market activity in each category of assets.

Issue Two

In response to issue two, we are in full agreement. The disclosure of the defined benefit pension plan accumulated benefit obligation in necessary information to gauge how over or under-funded the plan is. The information is useful in deciding how successful the firm is at meeting their pension benefit obligation. This may also be an indicator of large future expenses that may be necessary due to an under-funded plan.

Issue Three

In response to issue three we are in full agreement. We base our agreement on the assumption that presenting users with five years of information will allow them to project the financial health of the pension fund.

Issue Four

In response to issue four we are in full agreement. First, we believe that disclosure, in tabular format, the financial assumptions of the plan will enable users to better assess the underlying returns and risks of the plan. Second, we believe that the benefits exceed the costs of the requirement.

Issue Six

In response to issue six we are in full agreement. One change in the underlying data could have a multitude of consequences, which could mislead users. As such we are in agreement that sensitivity information only adds to the difficulties users face in analyzing financial statements.

Issue Eight

In response to issue eight we are in full agreement. When information is more understandable and focused it is relevant to decision makers. We believe that this is the main function of accounting information.

Issue Nine

- a) A description of investment policies and strategies

Yes, this should be disclosed. Investors and creditors need to know this kind of information so that they can make their own decision about the level of involvement in the firm's investment.

- b) An explanation of the basis for selecting the expected long-term rate of return on assets assumption

It is important to know what the basis of the assumption is. Without the basis users cannot assess the factors that affect the rate of return, so neither the level of risk (volatility) can be estimated.

- c) The amount and classification of net periodic pension and other postretirement benefit cost or income recognized in the statement of income, showing separately the amount of net benefit cost or income included in each line item in the statement of income and reported for each period for which a statement of income is presented. The aggregate amount of net benefit cost or income recognized would be reconciled to the total amount of net benefit cost or income, identifying the aggregate amount capitalized as part of inventory or other productive assets.

Providing this information has also added value. Unless the cost of preparing this type of information is not too high, this proposal should be accepted.

Respectfully Submitted,

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