**Federal Accounting Standards Advisory Board**

September 7, 2006

**TO:**       Members of FASAB

**FROM:**     Richard Fontenrose, Assistant Director

**THROUGH:**  Wendy Comes, Executive Director

**SUBJECT:**  Standard re Actuarial Issues – Tab E

> NOTE: FASAB staff prepares memos and other materials to facilitate discussion of issues at Board meetings.  This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff.  Official positions of the FASAB are determined only after extensive due process and deliberations.

This Tab contains the first draft of an exposure draft on actuarial issues entitled *Reporting the Effect of Actuarial Gains and Losses, and Requirements for Selecting Certain Discount Rate Assumptions and Valuations Dates* (ED).  After analyzing the possible issues discussed with the Board previously, I have addressed the following three specific issues in the ED:

1.  Statement of Net Cost display and note disclosure of actuarial gains and losses;

2.  Discount rate selection for certain present value measurements of federal employee pensions, other retirement benefits, other postemployment benefits, and social insurance; and

3.  Actuarial valuation date selection for certain present value measurements of federal employee pensions, other retirement benefits, other postemployment benefits, and social insurance.

The ED contains an executive summary, an introduction, and a basis for conclusions explaining the issue and the standard in a fairly concise way.

At the September meeting the plan is to review the ED's approach, obtain the members comments, and develop issues.  The timeframe used in the ED, e.g., publication on November 1, 2006, is of course tentative.  A draft ED was sent to OPM, SSA, and VA and other actuaries, accountants and others in the federal community to solicit their comments and expertise.  So far we have heard from several but anticipate more comments, especially from the actuaries.  As these comments come in I will provided them to the Board in due course.