

*Received via email 12/14/2020*

Ms. Batchelor:

Coast Guard recently received extremely useful technical guidance from Mr. Savini, regarding pension liabilities, under SFFAS #5 and SFFAS #33.

It was needed to address a new, unusual position taken by KPMG that was not in alignment with their past position or any other federal agency (and I contacted many, including DoD and GAO).

As noted in the attached guidance, it would be helpful to update SFFAS #5 and SFFAS #33 to eliminate the issues raised by KPMG for all FASAB users, regardless of the auditor they use.

The key issue was: What date should the discount rate be determined, to compute the year-end liabilities?

I will be retiring in FY21 but feel this is important because pension liabilities make up over 50% of the balance sheet for Coast Guard, DHS and many other government agencies.

And I would be pleased to act as an advisor, should technical actuarial advice be needed, even after I retire.

Sincerely,

Rick Virgile

Chief Actuary, CG-842