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This letter is provided in response to a request for opinions relative to the June 27, 2011 Governmental Accounting Standards Board (GASB) Exposure Draft regarding *Pension Accounting and Financial Reporting*.

The GASB is proposing that "all governments use a single method of allocating present value that is known as entry age normal, and do so as a level percentage of payroll." Many state governments have a statutory requirement to use the entry age normal method; however, hospitals in general do not have any statutory requirement regarding the attribution method to be used for recognition of the present value of benefit payments to specific years.

In conclusion, in the absence of a statutory requirement to follow a specific method, hospitals should not be forced to use only one attribution method for pension accounting and reporting purposes. Because all private sector employers, including non-profit hospital systems that are not governmental, are required under FASB 87 to use the *projected unit credit* method, GASB should at least allow a choice between the *entry age normal* and *projected unit credit* methods.

We appreciate the opportunity to provide our feedback on this Exposure Draft.

Sincerely,

Mary Ann Rouse

Vice President – Financial Services

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