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Date Received: 4/23/12 NATIONAL ASSOCIATION OF STATE RETIREMENT ADMINISTRATORS

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Mr. David R. Bean
Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7
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Norwalk, Connecticut 06856-5116
Via e-mail: drbean@gasb.org

April 20 2012

Dear Mr. Bean:

This letter represents the National Association of State Retirement Administrators (NASRA) response to the Governmental Accounting Standards Board's *Preliminary Views on Economic Condition Reporting: Financial Projections.* We understand that this is later than your published deadline for responses; however we would appreciate your consideration of our concerns.

The requirements for including projected pension costs, articulated in the PV's Component 3 – Projections of Financial Obligations, are likely to cause many financial report users to place undue credibility in these projections. Projected pension costs are not predictions of specific results but rather forecasts of anticipated trends. These projected trends are based on current laws and various assumptions regarding the future demographic profile of the covered group, all of which are subject to change. Placing these projected costs in a financial report will cause users to infer and assign to them an inappropriate level of legitimacy and reliability.

A basic premise for inclusion in financial statements is that the information be measurable with sufficient reliability. We believe that projected pension costs fail that standard, and for this reason, we urge the Board to refrain from requiring this information to be included in financial reports.

Thank you.

Sincerely,

Donna Mueller President

Cc. Keith Brainard, Research Director

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