

October 14, 2021

ASOP No. 4 Revision Exposure Draft #3
Actuarial Standards Board
 1850 M St NW, Suite 300
 Washington, DC 20036

Re: Proposed Revisions of ASOP No. 4

Dear Actuarial Standards Board:

This letter provides comments on the Third Exposure Draft of the Proposed Revision of Actuarial Standard of Practice No. 4 – Measuring Pension Obligations and Determining Pension Plan Costs or Contributions.

Bartel Associates, LLC is an actuarial consulting firm specializing in providing public sector actuarial consulting, including pension plan and retiree medical valuations. We provided comments on the First Exposure Draft of ASOP No. 4 on July 31, 2018. Our comments on the Third Exposure Draft are formatted as requested by the ASB.

I. Identification:

Name of Commentator / Company
John E. Bartel, President/Bartel Associates, LLC

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

Question No.	Commentator Response

III. Specific Recommendations:

Section #	Commentator Recommendation	Commentator Rationale
3.11	Change "...should calculate..." to "...should consider calculating..." in first paragraph.	We don't believe disclosure of Low-Default Risk Obligation Measure (LDROM) rises to the level of replacing professional judgement.
3.11	If the ASB continues to believe it's appropriate to use "should" rather than "should consider" then we believe the ASB should include an explanation as	We continue to be flummoxed by the ASB continuing down this path. The ASB says in the introduction to the Third Exposure Draft "The ASB



Section #	Commentator Recommendation	Commentator Rationale
	<p>to why and how including LDROM disclosure provides appropriate and useful information for the intended user for inclusion in <u>all</u> funding valuations. The only global example we can come up with is comparing LDROM results to the funding actuarial liability would provide the intended user with an estimate of the expected value for accepting some investment risk. A limited example would be if the plan sponsor is considering settling a plan obligation, in which case, more precise estimates from insurers might be obtained.</p>	<p>believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan.” We, on the other hand, do not find the calculation and disclosure either appropriate or useful, with the exception of the example noted in our recommendation. In light of the significant change to ASOPs from principles based to prescriptive, we think it is incumbent on the ASOP to explain how and why any intended user would find this information appropriate or useful.</p>

In light of the significant change to ASOPs from principles based to prescriptive, we think it is incumbent on the ASB to either allow inclusion of LDROM as an actuary deems appropriate or have the ASOP explain how and why any intended user would find this information appropriate and/or useful.

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We appreciate your consideration of these comments and encourage you contact us with any questions.

Sincerely,

John E. Bartel
 President

- c: Mary Beth Redding, Bartel Associates
- Doug Pryor, Bartel Associates
- Marilyn Oliver, Bartel Associates
- Bianca Lin, Bartel Associates

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