

which is currently located at <http://www.whitehouse.gov/WH/EOP/omb>, under the caption "Federal Register Submissions."

G. Edward DeSeve,
Controller.

Interpretation Number 3 of Statement of Federal Financial Accounting Standards Number 5

Measurement Date for Pension and Retirement Health Care Liabilities: An Interpretation of SFFAS No. 5

Introduction

1. The Federal Accounting Standards Advisory Board (FASAB) was asked to endorse use of an actuarial valuation as of the beginning of the fiscal year to measure the pension and retirement health care liabilities in general purpose financial reports prepared pursuant to Statement of Federal Financial Accounting Standards Number 5 (SFFAS 5).¹ This has been the practice in some of the special purpose financial reports on pension plans that are prepared pursuant to Pub. L. 95-595.² OMB and GAO issue instructions for preparing the reports required by P.L. 95-595.

2. The plan reports called for by P.L. 95-595 receive scrutiny from Congressional staff. Based on past experience, some actuaries were concerned that differences between actuarial measurements used in different reports would cause problems and confusion.

Some people who support using a beginning-of-year valuation also were concerned about the potential for disagreements between auditors and preparers if projections or estimates were used instead of a full actuarial valuation.

Other people, on the other hand, believed that measurements for recognizing liabilities in financial statements prepared pursuant to SFFAS 5 should be as of the end of the reporting period, and that a measurement based on a projection or "roll forward" of a full actuarial valuation would be appropriate if it were not feasible to perform a full actuarial valuation as of year end.

Interpretation

3. Pension and retirement health care liabilities in general purpose Federal financial reports prepared pursuant to SFFAS 5 shall be measured as of the

end of the fiscal year (or other reporting period if applicable). This measurement shall be performed following the end of the period reported, but does not have to be based on a full actuarial valuation as of the end of the reporting period. The measurement shall, however, reflect the best available estimates of the major factors that would be reflected in a full actuarial valuation, such as the actual pay raise, the actual cost of living adjustment, and known material changes in the number of employees covered (enrollment) that cause a change in the liability.

4. This measurement may be based on an actuarial valuation performed as of an earlier date during the fiscal year, including a beginning-of-year actuarial valuation, with suitable adjustments for the effects of changes during the year in major factors, such as the pay raise, cost of living adjustment, etc. This is sometimes referred to as a measurement based on a "projection" or "roll-forward" of the most recent available actuarial valuation. In evaluating the effect on the liability caused by changes in enrollment for plans that cover employees of more than one reporting entity (e.g., CSRS, FERS), materiality shall be assessed at the plan level. In evaluating the effect on the liability caused by changes in enrollment for plans that cover employees of only one reporting entity (e.g., Coast Guard, Department of State), materiality shall be assessed at the reporting entity level.

Scope of Interpretation

5. This interpretation applies to pension and retirement health care liabilities recognized in accordance with SFFAS 5 in general purpose Federal financial reports, such as financial statements prepared pursuant to the Chief Financial Officers Act of 1990, as amended. It does not apply to reports on pension plans pursuant to the requirements of P.L. 95-595.

Effective Date

6. This interpretation shall be applied for reporting periods that end on or after September 30, 1997.

Appendix: Basis for Conclusions

7. SFFAS 5 defines standards for recognition and measurement of pension and retirement health care liabilities, which are reported as of the balance sheet date. Although SFFAS 5 does not explicitly discuss the measurement date, its provisions implicitly call for measurement at year end. "Measurement" implies estimation based on the best available information at the time, but does not necessarily

require a full actuarial "valuation" as that term is used by actuaries.

8. To avoid potential confusion, ambiguity, or conflict with auditors, some people would prefer to use a beginning-of-year valuation (which is permitted by private sector standards for plan reporting pursuant to SFAS 35³), or at least would prefer to use beginning-of-year enrollment while updating the valuation for other changes during the year (e.g., interest rate assumptions, COLAs, salary increases), which generally are more significant.

9. Changes in enrollment during the year will rarely lead to a material change in the liability, and that such changes will, therefore, not be a factor in some years. Nevertheless, in those years when a material change in the liability does arise because of a change in enrollment during the year, that change should be reflected in the measurement. Conceptually there is no reason to treat enrollment differently from other factors used in the measurement. Precise enrollment data may not be readily available soon after year end, when the measurement is to be performed. However, this should not normally present a problem because absolute precision regarding enrollment should not be necessary, given a reasonable definition of materiality.

[FR Doc. 97-26869 Filed 10-8-97; 8:45 am]

BILLING CODE 3110-01-P

OFFICE OF PERSONNEL MANAGEMENT

Proposed Collection; Comment Request for Reclearance of an Information Collection: Form RI 30-1

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Public Law 104-13, May 22, 1995), this notice announces that the Office of Personnel Management intends to submit to the Office of Management and Budget a request for reclearance of an information collection. RI 30-1, Request to Disability Annuitant for Information on Physical Condition and Employment, is used by retirees who are not age 60 and who are receiving disability annuity. These retirees must provide information about their medical condition as OPM deems necessary to continue their benefit. RI 30-1 requests

¹ Statement of Federal Financial Accounting Standard Number 5, "Accounting for Liabilities of the Federal Government."

² Pub. L. 95-595, "Federal Government Pension Plans."

³ Statement of Financial Accounting Standard No. 35 (SFAS 35), "Accounting and Reporting by Defined Benefit Pension Plans."

information about changes in the work disabling condition.

Approximately 8000 RI 30-1 forms will be completed annually. We estimate it takes approximately 60 minutes to complete the form. The annual burden is 8000 hours.

Comments are particularly invited on:

- Whether this collection of information is necessary for the proper performance of functions of the Office of Personnel Management, and whether it will have practical utility;
- Whether our estimate of the public burden of this collection is accurate, and based on valid assumptions and methodology; and
- Ways in which we can minimize the burden of the collection of information on those who are to respond, through use of the appropriate technological collection techniques or other forms of information technology.

For copies of this proposal, contact Jim Farron on (202) 418-3208, or E-mail to jmfarron@opm.gov

DATES: Comments on this proposal should be received on or before December 8, 1997.

ADDRESSES: Send or deliver comments to—Lorraine E. Dettman, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349, Washington, DC 20415.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION—CONTACT: Mary Beth Smith-Toomey, Management Services Division, (202) 606-0623.

Office of Personnel Management.

Janice R. Lachance,

Acting Director.

[FR Doc. 97-26820 Filed 10-8-97; 8:45 am]

BILLING CODE 6325-01-P

**OFFICE OF PERSONNEL
MANAGEMENT**

**Proposed Collection; Comment
Request for Reclearance of an
Information Collection: Form OPM
1536**

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Public Law 104-13, May 22, 1995), this notice announces that the Office of Personnel Management intends to submit to the Office of Management and Budget a request for reclearance of an information collection. Form OPM 1536,

Former Spouse's Application for Survivor Annuity Under the Civil Service Retirement System, is designed for use by former spouses of Federal employees and annuitants who are applying for a monthly Civil Service Retirement System benefit. This application collects information about whether the applicant is covered by the Federal Employees Health Benefits Program and about any court order which awards the applicant retirement benefits.

Approximately 500 OPM Forms 1536 will be completed annually. We estimate it takes approximately 30 minutes to complete the form. The annual burden is 250 hours.

Comments are particularly invited on:

- whether this collection of information is necessary for the proper performance of functions of the Office of Personnel Management, and whether it will have practical utility;
- whether our estimate of the public burden of this collection is accurate, and based on valid assumptions and methodology; and
- ways in which we can minimize the burden of the collection of information on those who are to respond, through use of the appropriate technological collection techniques or other forms of information technology.

For copies of this proposal, contact Jim Farron on (202) 418-3208, or E-mail to jmfarron@opm.gov.

DATES: Comments on this proposal should be received on or before December 8, 1997.

ADDRESSES: Send or deliver comments to—Lorraine E. Dettman, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349, Washington, DC 20415.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION CONTACT: Mary Beth Smith-Toomey, Management Services Division, (202) 606-0623.

U.S. Office of Personnel Management.

Janice R. Lachance,

Acting Director.

[FR Doc. 97-26821 Filed 10-8-97; 8:45 am]

BILLING CODE 6325-01-P

**OFFICE OF PERSONNEL
MANAGEMENT**

**Proposed Collection; Comment
Request for Review of a Revised
Information Collection: Form RI 94-7**

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Public Law 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) intends to submit to the Office of Management and Budget a request for review of a revised information collection. RI 94-7, Death Benefit Payment Rollover Election for Federal Employees Retirement System (FERS), provides FERS surviving spouses and former spouses with the means to elect payment of the FERS rollover-eligible benefits directly or to an Individual Retirement Account.

Approximately 700 RI 94-7 forms will be completed annually. We estimate it takes approximately 60 minutes to complete the form. The annual burden is 700 hours.

Comments are particularly invited on:

- whether this collection of information is necessary for the proper performance of functions of the Office of Personnel Management, and whether it will have practical utility;
- whether our estimate of the public burden of this collection is accurate, and based on valid assumptions and methodology; and
- ways in which we can minimize the burden of the collection of information on those who are to respond, through use of the appropriate technological collection techniques or other forms of information technology.

For copies of this proposal, contact Jim Farron on (202) 418-3208, or E-mail to jmfarron@opm.gov

DATES: Comments on this proposal should be received on or before December 8, 1997.

ADDRESS: Send or deliver comments to—John C. Crawford, Chief, FERS Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3313, Washington, DC 20415.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION CONTACT: Mary Beth Smith-Toomey, Management Services Division, (202) 606-0623.

U.S. Office of Personnel Management.

Janice R. Lachance,

Acting Director.

[FR Doc. 97-26822 Filed 10-8-97; 8:45 am]

BILLING CODE 6325-01-P