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NEWS RELEASE

FASAB PUBLISHES STATEMENT OF FEDERAL FINANCIAL ACCOUNTING STANDARDS 33, *PENSIONS, OTHER RETIREMENT BENEFITS, AND OTHER POST-EMPLOYMENT BENEFITS: REPORTING GAINS AND LOSSES FROM CHANGES IN ASSUMPTIONS AND SELECTING DISCOUNT RATES AND VALUATION DATES*

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 33, *Pensions, Other Retirement Benefits, and Other Post-employment benefits: Reporting Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates* today. The standards in SFFAS 33 require: 1) gains and losses from changes in long-term assumptions used to estimate liabilities for federal employee pension and other retirement benefits, and other post-employment benefits to be displayed as discrete line items on the governmentwide entity's and the component entities' statements of net cost; and 2) components of the expense associated with such liabilities to be disclosed in notes to the financial statements. SFFAS 33 also provides standards for selecting the discount rate assumption and the valuation date for such liabilities.

Mr. Allen said "This Statement will highlight gains and losses from changes in assumptions in federal financial reports. Some of the most significant changes in amounts on the statement of net cost for the consolidated Financial Report of the United States Government (CFR) and for certain component entities can result from such gains and losses. This Statement will provide users discrete information about operating costs and about non-operating costs so they can make intelligent decisions." He also noted that there has been diversity in practice regarding the discount rate for such liabilities and SFFAS 33 establishes one consistent approach for such rates for these liabilities.

The standards prescribed in SFFAS 33 are effective for periods beginning after September 30, 2009. The statement is available on the FASAB web site at <http://www.fasab.gov>.

ABOUT FASAB

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources. The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: www.fasab.gov.