April 22, 2016

Mr. Russell Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

(Sent via e-mail to director@fasb.org)

Re: File Reference No. 2016-210

Dear Mr. Golden:
The International Business Machines Corporation ("IBM" or "the company") appreciates the opportunity to comment on the proposed Accounting Standards Update: Compensation – Retirement Benefits (Subtopic 715-20): Changes to the Disclosure Requirements for Defined Benefit Plans (the "proposed amendment" or "exposure draft"), issued by the Financial Accounting Standards Board ("FASB").

The company continues to support the FASB in their efforts to simplify U.S. GAAP and the objective of improving disclosures and providing users with more decision useful information. Overall, we are supportive of the proposed amendment. However, we have concerns with one of the recommended new disclosures under Subtopic 715-20 that requires quantitative and qualitative disclosures from Topic 820. We do not think this is an area where additional disclosure is necessary.

In the exposure draft, the Board acknowledged that while most of the new quantitative and qualitative disclosures about investments measured using the net asset value (NAV) practical expedient would duplicate disclosures already required in the benefit plan financial statements, that duplication is justified because employer financial statements are issued earlier than benefit plan financial statements. We believe that requiring the acceleration of gathering and reporting information which is already available in benefit plan disclosures, often reported up to nine months after a company's Annual Report would not be justified. The proposed disclosures would require significant process changes in order to obtain information that is normally available much later in the year. The cost to implement reporting these duplicative disclosures would outweigh the benefits.

The Board should consider that these disclosures in the benefit plan financial statements are material and relevant to those financials; however, they may not be material or relevant to the employer's consolidated financial statements. Also, while the Board noted that these new disclosures would provide useful information about entity-specific factors that can affect a user's assessment of prospects for cash flows, it should be noted that a pension plan may have commitments with regard to funding certain investments that may not impact the actual funding to the pension plan as other investments can be unwound to meet those commitments and maintain the target asset allocation mix. Also, having restrictions on redeeming certain investments is consistent with the long term nature of the underlying liability and helps to minimize excessive trading costs. For cash flow planning purposes, the existing disclosures include contractual obligations for pension funding, the pension plans funded status, and the mix of the investments, including those valued with a NAV. We believe existing disclosures provide adequate support for cash flow planning purposes relative to defined benefit pensions.

Thank you for the opportunity to comment on the exposure draft. If you have any questions, please contact me at (914) 766-2477.

Sincerely,

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