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April 22, 2016

Technical Director

File Reference No. 2016-200

Financial Accounting Standards Board

401 Merritt 7

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Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (hereafter the “Proposed Guidance”). Bristol-Myers Squibb Company (“BMS”) is a U.S. based Fortune 500 global specialty biopharmaceutical company with total revenues of \$16.6 billion in 2015 and total assets of \$31.7 billion as of December 31, 2015. We highly support the objective to improve the reporting of net benefit cost in the income statement thereby enhancing the transparency and the usefulness of the financial information.

The following are our responses to the questions that are posed in the Exposure Draft that are relevant to our Company.

Question 1: Should the service cost component be reported in the income statement apart from the other components of net benefit cost as defined in paragraphs 715-30-35-4 and 715-60-35-9 and be the only component eligible to be capitalized in assets? Why or why not?

Yes, the service cost component should be reported in the income statement apart from the other components. Service cost represents the cost of additional benefits due to the employee for one additional period of service. And, if the employee is involved in producing capitalized assets, it is appropriate to be eligible to be capitalized in assets. Other components of net benefit cost is

not related to employee's service to the company. Hence it is appropriate to report service cost component and other components of net benefit cost separately.

Question 2: Would it be useful to require presentation of the prior service cost or credit component separately from the other components? Should all of the components of net benefit cost other than the service cost component (for example, the prior service cost or credit component) be presented outside a subtotal of income from operations, if one is presented? Why or why not?

Yes, prior service cost or credit component relates to operations and should be presented separately.

Yes, all the components of net benefit cost other than the service cost component should be presented outside a subtotal of income from operations. Components other than the service cost component is not related directly to operations.

Question 3: Would it be useful to require presentation of the net amount of the interest cost component and expected return on plan assets separately from the other components of net benefit cost to improve convergence with IFRS or for other purposes? Why or why not?

No, the interest cost component and expected return on plan assets should not be netted as it could lead to misleading information.

Question 4: Would the proposed amendments improve the usefulness of financial information provided to users? Why or why not?

The proposed amendments would improve the usefulness of financial information since the components are segregated into what truly impacts operations and what is outside of operations.

Question 7: How much time would be necessary to adopt the proposed amendments? Should early adoption be permitted? Would the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities? Why or why not?

It would not require much time to adopt the proposed amendments. However, from a management planning point of view, it would be helpful if the effective date is at least one year from the date of adoption. Should an entity choose early adoption, such adoption should be permitted.

Question 8: Should the proposed amendments be applied retrospectively for the presentation of the service cost component and other components of net benefit cost in the income statement and prospectively, on and after the effective date, for the capitalization of the service cost component of net benefit cost in assets when applicable?

Yes, the proposed amendments should be applied retrospectively for the presentation of the service cost component and other components of net benefit cost in the income statement. This will make year-to-year comparison of the income statement more meaningful. We also believe that the capitalization of the service cost component of net benefit cost in assets be applied prospectively.

Question 9: Should the disclosures of the nature of and reason for the change in accounting principle be required in the first interim and annual reporting periods of adoption? Why or why not?


Yes. The disclosures enables the reader to understand the changes impacting the financial statements.

We greatly appreciate your consideration of our comments and invite you to contact us if you have any further questions regarding our above comments on the Proposed Guidance.

Sincerely,



Robert Owens
Vice President & Assistant Controller



Tim Kocsis
Director, Corporate Technical Accounting