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From: Curt Cartolano [curt.cartolano@hewitt.com]
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Hewitt Associates LLC is pleased to submit comments on the proposed regulations published on July 21, 2006 in the Federal Register regarding "Proposed Revision of Annual Information Return/Reports". Our comments below are limited to the proposed changes to the Schedule B attachment of the Form 5500.

Hewitt Associates is a global provider of benefits, compensation and human resources services. We provide our clients with actuarial, consulting and outsourcing services. In the United States, our Retirement and Financial Management consultants provide actuarial services to a large number of companies of all sizes.

Under the proposal, the Schedule B attachment would be required to include (a) information on the breakdown of assets held by defined benefit plans and (b) the duration of the aggregate debt instruments ("Macaulay duration").

While we understand that the PBGC might have a need for this information, it should not be reported as part of the Schedule B. The Schedule B's purpose is to report actuarial information related to the plan. Neither of the two proposed items are information that is prepared by the plan's enrolled actuary. If the information is to be reported on the Schedule B, the actuary would simply be serving as a conduit for reporting information that was supplied to the actuary by the plan sponsor. As such, this could give the false impression that the actuary is certifying to the accuracy of the information, which will not be the situation. The actuary is not involved in the investment of the plan's assets and does not have direct access to the asset allocation information. Similarly, the actuary does not have ready access to the information needed to calculate the Macaulay duration of the debt instruments held by the plan. Even if the actuary had access to this information, the calculation of duration of debt instruments is not an area where many actuaries have expertise. The calculation of the duration, if done currently, is provided by the plan's investment advisors.

If it is decided that this information is needed as part of the Form 5500 filing, then it more appropriately belongs on another form, such as Schedule H (Financial Information) or Schedule R (Retirement Plan Information).

Please contact me if you have any questions about our comments.

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