

**Office of Personnel Management**  
**Retirement and Insurance Service**



1920



1954



1959



1986

Federal Employee Benefit Programs  
**FINANCIAL MANAGEMENT LETTER**

**Number: F-97-09**

**Date: November 19, 1997**

**SUBJECT: Assurance Regarding Cost Factors**

Financial Management Letter F-97-08 contained the cost factors you need to compute your 1997 Employer's Pension Expense for the Civil Service and Federal Employees Retirement Systems. As the letter indicated, the cost factors changed from 1996 to 1997 because of the adoption of new economic and demographic assumptions underlying their computation. Due to the timeframes under which we must compute and issue the cost factors, it is not possible for our independent public accountant, KPMG Peat Marwick (KPMG), to opine specifically on them. To provide assurance for your financial statements auditors regarding the 1997 cost factors, however, we offer the two enclosures to this letter.

The first enclosure is a report by KPMG on supplemental information provided to them by our enrolled actuary about his determination of the 1996 pension cost factors. Attached to the KPMG report is the supplemental information the enrolled actuary provided.

The second enclosure is a certified statement by the enrolled actuary addressing his computation of the 1997 cost factors. The actuary states that he has used the same methodology to compute the 1997 factors as he did for 1996 and that the change in assumptions did not have a major impact on the cost factors.

If you have any questions, please contact us on (202) 606-0666 or via Internet email, [finance@opm.gov](mailto:finance@opm.gov).

Kathleen M. McGettigan  
Assistant Director  
for Systems, Finance and Administration

J. Gilbert Seaux  
Chief Financial Officer

Enclosures (2) (Please contact us at above for copies of enclosures).