

## SUMMARY OF BOARD DECISIONS

*The Board Actions are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions are included in an Exposure Draft for formal comment only after a formal written ballot. Decisions in an Exposure Draft may be (and often are) changed in redeliberations based on information provided to the Board in comment letters, at public roundtable discussions, and through other communication channels. Decisions become final only after a formal written ballot to issue a final standard.*

### October 29, 2008 Board Meeting

Disclosures about benefit plan assets. The Board redeliberated proposed FSP FAS 132(R)-a, *Employers' Disclosures about Postretirement Benefit Plan Assets*. The Board decided to amend FASB Statement No. 132 (revised 2003), *Employers' Disclosures about Pensions and Other Postretirement Benefits*, to require that an employer disclose the following information about the fair value of plan assets:

1. The level within the fair value hierarchy in which fair value measurements of plan assets fall
2. Information about the inputs and valuation techniques used to measure the fair value plan assets
3. A reconciliation of beginning and ending balances for fair value measurements of plan assets using significant unobservable inputs (level 3).

The Board decided that the final FSP will be effective for fiscal years ending after December 15, 2009, with early application permitted. At initial adoption, application of the FSP would not be required for earlier periods that are presented for comparative purposes.

Assets and liabilities arising from contingencies in a business combination. The Board reached the following decisions on a proposed FSP to amend current requirements for accounting for assets and liabilities arising from contingencies in a business combination in FASB Statement No. 141 (revised 2007), *Business Combinations*.

The Board agreed not to include contingent consideration in the scope of the project. The Board determined that initial recognition and measurement of assets and liabilities arising from contingencies should follow a model similar to the one in FASB Statement No. 141, *Business Combinations*, with additional clarification of situations under which fair value is "reasonably estimable," similar to the requirements in FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*.

The Board agreed to retain the subsequent measurement and accounting guidance in Statement 141(R) for assets and liabilities initially recognized at fair value, with additional clarification to address derecognition.

The Board determined that disclosures should include the nature of the contingency, the measurement attribute applied, and, if not measured at fair value, the reason that fair value could not be reasonably estimated. Additional disclosures would depend on the initial measurement attribute applied.

The effective date of this FSP will be the same as Statement 141(R).

Agenda decision announcements. The FASB chairman announced the following agenda decisions:

1. A project was added to the Board's agenda to reconsider the guidance in FASB Statement No. 141 (revised 2007), *Business Combinations*, related to preacquisition contingencies.
2. The FASB will join the IASB in its accounting for insurance contracts project which will become a joint project going forward.
3. The second phase of the fair value options project was removed from the Board's agenda.