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October 22, 2010

VIA ELECTRONIC MAIL

director@fasb.org

Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: File Reference No. 1860-100
Disclosure About an Employer's Participation in a Multiemployer Plan
(Subtopic 715-80)

Dear Sir or Madam:

We appreciate the opportunity to provide comments regarding the Disclosure About an Employer's Participation in a Multiemployer Plan exposure draft ("the exposure draft") issued on September 1, 2010, and specifically, the potential changes to the disclosure requirements for employers participating in multiemployer pension plans with associated withdrawal liabilities. Calibre CPA Group PLLC is a certified public accounting firm with offices in Washington, DC and Chicago, Illinois that serves as independent auditors to nearly 180 employee benefit plans, of which approximately 125 are defined benefit multiemployer pension plans.

We understand the need from users of financial statements to have complete information that discloses the commitments and risks associated with an employer participant in a multiemployer pension plan. Furthermore, the recent financial crisis created a scenario where many benefit plans are underfunded due to investment performance and decreased contributions from less work. The exposure draft was issued by the Financial Accounting Standards Board (FASB) in an attempt to enhance the disclosures of an employer's participation in a multiemployer pension plan. However, it is our opinion that if modifications as currently proposed in the exposure draft are instituted, it may result in misleading information in the note disclosures to the financial statements of employers participating in multiemployer pension plans. This may be harmful to the business operations of the employers, and ultimately, to the pension plans as well in the event that potential new employers become hesitant to participate. Furthermore, we believe the proposed withdrawal liability disclosure requirements will create significant expense, burden, and timing issues for both the employers and the pension plans. We discuss the reasons for our opinion below.

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Exposure Draft Proposed Changes

The exposure draft proposes annual disclosures within the employer's financial statements that provide information about:

- Total assets and accumulated benefit obligations of the plan;
- Quantitative information about the employer's involvement with the plan, including the number of its participating employees as a percentages of total plan participants;
- A description of the contractual arrangements between the employer and the plan, including the length of the arrangement, the agreed contribution rates, and any minimum funding arrangements;
- Expected contributions for the next year;
- Known trends in future contributions;
- The amount required to be paid upon withdrawal from the plan; and
- A narrative description of any funding improvement proposals adopted by the plan that includes any expected effects on the employer.

The proposed disclosure that raises the most concern is the requirement to disclose information regarding the amounts to be assessed and paid by the employer in the event that the employer withdraws from participation in the pension plan.

Withdrawal Liability as a Contingent Liability

Current accounting standards require the disclosure of a contingent liability if there is a probable or reasonably possible chance of the contingency resulting in liability to the organization. If the chance of liability is deemed to be remote, no such disclosure is required. We believe that if the likelihood of an employer withdrawing from a plan is probable or reasonably possible, then the proposed disclosures regarding withdrawal liability seem reasonable, although this disclosure is already required under current standards. However, if the intent of an employer to withdraw from a pension plan is remote, the amount of that potential withdrawal liability is not relevant and should not be disclosed. Quantifying and disclosing such liabilities that are remotely likely to occur may result in misleading and misinterpreted information. Furthermore, if FASB is to take the position that contingent liabilities relating to withdrawal liability with a remote likelihood of occurring should be disclosed, then this represents a significant and hopefully unintended departure from current accounting standards for evaluating any and all potentially remote contingencies.

Furthermore, the accounting standards relating to loss contingencies have the objective of informing the user of the financial statements of potential external exposures and risks that exist, such as claims and litigation brought on by outside parties. The decision to trigger withdrawal liability is not one brought on by outside parties, but an internal decision made by an employer in determining whether to withdraw from a plan.

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Burden of Obtaining Disclosure Information Related to Withdrawal Liability

For a participating employer to disclose information regarding amounts to be paid upon withdrawing from a multiemployer pension plan, the employer will need to obtain this information from the plan. Under current law, employers are entitled to receive an estimate of their withdrawal liability from the plan annually. However, few employers actually request this information on an annual basis as it is simply not needed. If all multiemployer plans were required to compute these amounts for all of their participating employers each year, this could result in a significant expense and burden. Many plans utilize the plan actuary to compute these amounts which would certainly result in higher fees. Also, many large multiemployer plans have literally thousands of participating employers. Having to accommodate the information requests for all of the employers may not be practical or even possible at the current staffing levels for these plans.

Another concern is that even though each employer is entitled to receive an annual estimate of their withdrawal liability annually for the plan, is this a permitted pension plan expense under ERISA if the intent is primarily going to be for the employer to use the information in preparing their financial statements.

Timing of the Information

Pension plans generally undergo a valuation annually whereby information about the funding level of the plan is determined by the plan actuary. These computations are typically time consuming and may take several months to complete. For employers to report potential withdrawal liabilities as of the end of their fiscal year, they will need to obtain the information from the pension plans. If employers need to have their year end financial statements completed by the first or second quarter following their year end, it will be highly unlikely that the pension plans will be able to provide the information in that timeframe. Therefore, the most recent available information may be over a year out of date, rendering it less meaningful and potentially significantly misleading.

Conclusion

We understand FASB's intent to enhance the disclosures of an employer's participation in a multiemployer pension plan. While many of the disclosures in the proposed exposure draft may seem reasonable to provide, for the reasons stated above, we suggest that at a minimum, FASB remove the proposed requirement for all employers to report the amount required to be paid upon withdrawal from a multiemployer pension plan. While we agree that employers that have withdrawn or are likely to withdraw from a plan should disclose their withdrawal liability, it is not reasonable or meaningful to require all employers to report a liability that is not likely to occur.

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We thank FASB for the opportunity to provide these comments and offer any assistance that you think may be helpful.

Sincerely,

James C. Kokolas, CPA

James C. Koholes

Partner