



THE WALDINGER CORPORATION

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October 25, 2010

Technical Director, FASB
Via Email. director@fasb.org

File Ref: 1860-100

Re: FASB Multi-Employer Pension Disclosure

Technical Director:

We are responding to the proposed requirement for employers to disclose unfunded multi-employer pension plan withdrawal liabilities on their audited financial statements. Our company believes that such disclosure will not result in providing more useful and transparent information to the users of the financial statements.

Background

Our company is a closely-held Midwest mechanical and sheet metal contractor that has been in business for over 100 years. We are signatory to a number of local union collective bargaining agreements and participate in several multi-employer pension plans.

COMMENTS

FASB Question 2 – Will disclosing the estimated amount of the withdrawal liability, even when withdrawal is not at least reasonably possible, provide users of financial statements with decision-useful information?

Although we appreciate the FASB's efforts for transparency and the disclosure of more useful information to the users of financial statements, we do not believe that the proposed disclosure will accomplish either.

We believe that treatment of withdrawal liability is adequately addressed by current accounting pronouncements. The potential liability associated with the withdrawal from a multiemployer pension plan should be treated no differently than any other contingent liability. Under current financial reporting rules, a company is required to assess all contingent liabilities to determine if there is a "reasonable possibility" that the expense will be incurred. To expand the disclosure requirements to disclose a withdrawal liability

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in the current period based upon a contingent event that may only have a "remote possibility" of ever occurring is misleading.

Additionally, in assessing the potential liability, the employer should also be able to utilize special industry rules in their assessment. For example, the ERISA rules governing withdrawal liability include a Construction Industry Exemption that substantially limits the conditions under which a construction contractor is liable for withdrawal liability. Because of these limitations, it is not uncommon for a union construction contractor to go out of business or to close operations in a jurisdiction and never incur a withdrawal liability for ceasing contributions to the plan.

Reporting a withdrawal liability for an employer that does not intend to withdraw from a plan or for which an industry exemption is available to avoid the liability could lead to confusion or misunderstanding by the user. Again, since the disclosed liability would not represent an actual liability for the employer, the disclosure is misleading to the user and could lead to unintended interpretations of the financial strength of the employer.

For the reasons noted above, we believe that the proposed disclosures will not provide users of the financial statements with decision-useful information. Indeed, it may actually lead to more confusing financial statements for the user.

We appreciate the opportunity to comment on this important proposed change.

Sincerely,

The Waldinger Corporation



Brian D. Worth
Chief Financial Officer